

# State of New Mexico

## Hazard Mitigation Administrative Plan



**New Mexico Department of  
Homeland Security and Emergency Management**

**2025**

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# 1. AUTHORIZATION

In compliance with 2 CFR Part 200, 2 CFR Part 3002, 44 CFR Part 206.437(b)(1), and 44 CFR Part 206.437(b)(4)(xi), this edition of the New Mexico Hazard Mitigation Program Administrative Plan is hereby approved for use within the State of New Mexico for all purposes related to obtaining, administering and disbursing Hazard Mitigation Grant Program (HMGP), Hazard Mitigation Grant Program – Post Fire (HMGP-PF), Pre-Disaster Mitigation Program (PDM), Legislative Pre-Disaster Mitigation (LPDM), Building Resilient Infrastructure and Communities (BRIC), and Flood Mitigation Assistance (FMA) funds awarded by the Federal Emergency Management Agency (FEMA) to the State of New Mexico.

This plan is required by 44 CFR Part 206.437.d. and applies to all open mitigation disasters, grants, and sub-grants. Any future grants and sub-grants will follow the policies and processes described herein.

This Administrative Plan applies to all HMA Grants designated between January 1, 2025, and December 31, 2025.

Hazard Mitigation Grant Program		Non-Disaster Mitigation Program	
FEMA-DR-4197-NM	FEMA-PF-5184-NM	EMT-2018-PC-0006	LPDM-2022
FEMA-DR-4199-NM	FEMA-PF-5281-NM	EMT-2019-PC-0005	LPDM-2023
FEMA-DR-4529-NM	FEMA-PF-5386-NM	EMT-2020-PC-0006	LPDM-2024
FEMA-DR-4652-NM	FEMA-PF-5430-NM	EMT-2020-BR-098	
FEMA-DR-4795-NM	FEMA-PF-5461-NM	EMT-2021-BR-134	
FEMA-DR-4843-NM	FEMA-PF-5492-NM	EMT-2022-PD-0002	
	FEMA-PF-5579-NM	EMT-2023-PD-0001	
		EMT-2022-BR-001	
		EMT-2023-BR	

Signed by:  
  
 6A6DCE42DCC0487

Ali Rye

Governor's Authorized Representative Deputy Cabinet Secretary/State Director

Department of Homeland Security and Emergency Management



## 2. PURPOSE

Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288 as amended, and the Disaster Mitigation Act of 2000, Public Law 106-390, establishes a cost-sharing Hazard Mitigation Grant Program (HMGP) used to fund state and local hazard mitigation projects. This section is closely tied to the post-disaster mitigation plans defined and required in Section 404 of the Act and is implemented following a Presidential declaration of a major disaster. Section 322 and 404, combined with other state and federal programs, help form an overall pre- and post-disaster hazard mitigation strategy for the State of New Mexico and affected Tribal and local governments. The purpose of the state Hazard Mitigation Administrative Plan is to establish a functional organizational structure, define the roles, responsibilities, and staffing, and outline the management procedures that the Department of Homeland Security and Emergency Management (DHSEM) will use to administer the Mitigation Program, to include HMGP, HMGP-PF, LPDM, PDM, BRIC, and FMA. The State of New Mexico will comply with all applicable federal statutes and regulations in effect with respect to the periods for which it received grant funding, in compliance with 44 CFR, and will amend this plan whenever necessary to reflect changes in new or revised state or federal laws and statutes as required in 44 CFR and 2 CFR, as amended.

The State of New Mexico will further amend this plan whenever necessary to reflect a material change in state or federal law, organization, policy, or state agency operation. The State of New Mexico will prepare any updates, amendments, or plan revisions required to meet current policy guidance or changes in the administration of the Hazard Mitigation Program. The State of New Mexico will revise the plan as necessary following each major disaster declaration. Any changes to the plan will be submitted to the FEMA Region VI Regional Administrator for approval.

The State of New Mexico understands that Hazard Mitigation Grant Program funds will not be awarded until the FEMA Regional Administrator approves the state Hazard Mitigation Administrative Plan.

The State Hazard Mitigation Officer (SHMO), acting under the oversight of the Cabinet Secretary for the Department of Homeland Security and Emergency Management (DHSEM) and the Governor's Authorized Representative (GAR), reserves the right to correct errors and omissions in this plan. Every reasonable attempt has been made to make this plan compliant with federal policies, procedures, and requirements. If any situation should arise where there is an apparent conflict between state procedures and federal requirements for the administration of federal funds, the federal requirements shall take precedence.

The most recent FEMA-approved New Mexico Hazard Mitigation Administrative Plan version has been incorporated as Attachment 2 within the New Mexico Emergency Operation Plan 2025.



### 3. AUTHORITY

The Department of Homeland Security and Emergency Management (DHSEM) is designated to administer Section 404 of the Stafford Act as defined in this administrative plan. DHSEM will serve as the single point of contact (POC) for all FEMA mitigation programs, acting as both applicant and recipient. The State Hazard Mitigation Officer (SHMO) identifies viable projects, tracks their implementation, and monitors how funding is utilized. The Administrative Services Bureau Chief and the Grant Unit Manager ensure compliance with federal, state, and grant rules and regulations. The Recovery & Mitigation Bureau Chief oversees the process and, if a problem or conflict arises with a project, acts as a mediator to resolve it quickly and efficiently.

The Mitigation Unit has a working knowledge of the National Floodplain Insurance Program (NFIP) goals, requirements, and processes. It ensures that programs are coordinated with other mitigation activities at the state level.

DHSEM will:

- provide technical assistance and training to eligible entities on mitigation planning and projects and assist in developing sub-grant applications.
- prioritize and recommend sub-grant applications to be approved by FEMA based on eligibility criteria described in the State Hazard Mitigation Plan and Hazard Mitigation Administrative Plan.
- award FEMA-approved sub-grants.
- comply with program requirements, grant management requirements, grant agreement articles, and applicable federal, state, tribal, and local laws and regulations per 44 CFR 206.437(b)(1).

#### 3.1. Applicable Regulations and Laws

##### 3.1.1. State

- The All-Hazards Emergency Management Act, Section 12-10-2 et seq., NMSA 1978 as amended.
- The Disaster Relief Act, Section 6-7-1 et seq., NMSA 1978 as amended.
- The Public Purchases and Property Act, Section 13-1-1 et seq., NMSA 1978 as amended.
- New Mexico Emergency Operations Plan, 2025
- Public Buildings; Compliance with the National Flood Insurance Program, Section 13-5-3.1 NMSA 1978 as amended (2020)
- FEMA-State Agreement (disaster-specific)

##### 3.1.2. Federal

- Disaster Recovery Reform Act of 2018 (DRRA) as part of the Federal Aviation Administration Reauthorization Act of 2018 as amended by Public Law 115-254
- Sandy Recovery Improvement Act of 2013, as amended by Public Law 93-288
- The Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law



- 93- 288, as amended by Public Law 100-707
- Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA) as amended by Public Law 109-295.
  - Robert T. Stafford Relief and Emergency Assistance Act, as amended by Public Law 106-390 (Disaster Mitigation Act (DMA) of 2000), October 30, 2000
  - Public Law 100-707, as amended by Public Law 103-181 (Hazard Mitigation and Relocation Assistance Act)
  - Public Law 103-324 (Riegle Community Development and Regulatory Improvement Act of 1994)
  - 44 CFR Part 9 – Floodplain Management and Protection of Wetlands
  - 44 CFR Part 10 – Environmental Considerations
  - 44 CFR Part 13 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
  - 44 CFR Part 201 – Mitigation Planning
  - 44 CFR Part 206 - Federal Disaster Assistance for Disasters Declared on or After November 23, 1988
  - 2 CFR part 25, universal identifier and central contractor registration
  - 2 CFR part 170, reporting sub-award and executive compensation information.
  - 2 CFR Part 200 – Uniform Administrative Requirements, cost principles, and audit requirements for federal awards
  - 2 CFR 200.300(b) Statutory and national policy requirements
  - 2 CFR part 3002
  - Executive Order 11988, Floodplain Management
  - Executive Order 11990, Protection of Wetlands
  - Executive Order 12612, Federalism
  - Executive Order 12898, Environmental Justice
  - Executive Order 13690, Federal Flood Risk Management
  - Provisions of FFATA (Federal Funding and Transparency Act)
  - Section 6002 of the Solid Waste Disposal Act
  - Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government
  - Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers (amends EO 12898)
  - Executive Order 14008, Tackling the Climate Crisis at Home & Abroad (Justice40 initiative)
  - The Federal award itself



### 3.2. Definitions and Acronyms

**Administrative Services Bureau (ASB):** Responsible for overseeing grants awarded, compliance with and financial integrity of federal and state audits, and the agency's financial management.

**Applicant:** State or Indian tribal government as defined in 44 CFR § 206.431 submitting an application for Hazard Mitigation Assistance.

**Application (HMGP Grant Application):** The initial request for Section 404 funding is to be submitted to FEMA by the state within 60 days of the declaration. In OEM's initial request, mitigation is included with the request for a declaration. (44 CFR§ 206.436)

**Award:** Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money by the federal government to an eligible recipient. The term does not include technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; and contracts which are required to be entered into and administered under federal procurement laws and regulations.

**Benefit/Cost Analysis:** Provides estimates of the "benefits" and "costs" of a proposed hazard mitigation project. The benefits relate to avoided future damages and losses expected to accrue due to the mitigation project. Past disaster damages can be used to predict future damages. Costs relate to what the actual project will cost. For mitigation projects, there must be a one dollar or more benefit for each dollar of cost. The latest version of cost-benefit analysis models for the various types of projects will be referenced and used as part of all FEMA mitigation applications.

**Best Management Practices:** Appropriate, site-specific management techniques that maximize the benefits of land and natural resource management actions while minimizing impacts.

**Building Resilient Infrastructure and Communities (BRIC):** Section 1234 of the Disaster Recovery Reform Act of 2018 (DRRA) authorized the program.

**Cap:** The maximum amount that may be provided to a Recipient for management costs funds for a single declaration pursuant to 44 CFR § 207.5(c).

**Capital Outlay Funds:** Funds used to build, improve, or equip physical property that will be used by the public. In New Mexico, state capital outlay is authorized by the Legislature and generally is nonrecurring money.

**Community Assistance Program-State Support Services Element (CAP-SSSE):** This element helps states proactively identify, prevent, and resolve floodplain management issues in participating communities before a flood event occurs.

**Closeout and Liquidation Period (CLP):** The deadline by which all funds associated with the grant or sub-grant must be liquidated. Payments cannot be issued after the close of the CLP.



**Code of Federal Regulations (CFR):** Codification of the general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government.

**Data Universal Numbering System (DUNS):** The Dun & Bradstreet Data Universal Numbering System Number is a unique nine-digit identifier for businesses that maintain up-to-date and timely information on more than 330 million global businesses. The DUNS Number identifies relationships between corporate entities (hierarchies and linkages), a key element of Live Business Identity and commercial risk assessment practices. On April 4, 2022, the federal government stopped using the DUNS Number to identify entities uniquely. It now requires entities doing business with the federal government to use the Unique Entity ID (UEI) created in SAM.gov.

**Department of Finance and Administration (DFA):** Provides sound fiscal advice and problem-solving support to the Governor and provides budget direction and fiscal oversight to state agencies and local governments.

**Department of Homeland Security and Emergency Management (DHSEM):** This agency leads the State of New Mexico's response to emergencies and disasters while ensuring the safety and welfare of its citizens.

**Disaster Declaration Number (DR):** The event identifier assigned by FEMA to each disaster declaration.

**Disaster Recovery Reform Act of 2018 (DRRA):** enacted on October 5, 2018, the DRRA is the most comprehensive reform of FEMA's disaster assistance programs since the passage of the Sandy Recovery Improvement Act of 2013 and the Post-Katrina Emergency Management Reform Act of 2006.

**Disaster Resistant University (DRU):** The term relating to Natural Hazard Mitigation Plans for Universities entitling them to request appropriate funding. To date, no New Mexico Universities or schools have participated.

**Duplication of Benefits (DOB):** Federal assistance cannot duplicate the benefits provided by other sources. Consequently, if an entity has already received aid for the same purpose, the subsequent program must ensure that additional assistance is not provided to cover the same loss or cost.

**Duplication of Programs (DOP):** The doctrine of duplication of programs (DOP) prohibits FEMA, or any Federal agency, from using its assistance to fund projects or programs if funding for similar activities is available under a more specific Federal authority.

**Economically Disadvantaged Rural Community (EDRC):** Formerly a "small, impoverished community," under BRIC, it is a community of 3,000 or fewer individuals that is economically disadvantaged, with residents having an average per capita annual income not exceeding 80% of the national per capita income. EDRC sub-applicants can qualify for up to 90% federal cost share.



**Emergency Management Assistance Compact (EMAC):** A mutual aid agreement between states and territories of the United States. It enables states to share resources during natural and man-made disasters, including terrorism.

**Entity:** An eligible sub-applicant for Hazard Mitigation Assistance funding. This includes local governments, quasi-governmental agencies, state agencies, independent subdivisions of state government, non-profit organizations, universities, acequias, tribes, pueblos, or nations.

**Federal Coordinating Officer (FCO):** Appointed by the Director of the Federal Emergency Management Agency, on behalf of the President, to coordinate federal assistance to a state affected by a disaster or emergency. The source and level of the federal coordinating officer will likely depend on the nature of the federal response.

**Federal Emergency Management Agency (FEMA):** The United States Department of Homeland Security agency, initially created by Presidential Reorganization Plan No. 3 of 1978 and implemented by two Executive Orders on April 1, 1979.

**FEMA Integration Team Member (FIT):** FEMA employees co-located within the office of participating partners to enhance intergovernmental coordination. They are intended to provide a continuous and coordinated FEMA presence, bolster connections, cooperation, and communication, increase the amount, speed, and quality of targeted technical assistance, and address gaps, barriers, and delays in a more personal manner.

**Federal Financial Report (FFR):** The FFR is used to submit financial information about individual grant awards.

**Federal Fiscal Year (FFY):** The fiscal year is the accounting period for the federal government, which begins on October 1 and ends on September 30. The fiscal year is designated by the calendar year in which it ends; for example, the fiscal year 2020 began on October 1, 2019, and ended on September 30, 2020.

**Flood Mitigation Assistance (FMA):** This is a competitive grant program that provides funding to states, local communities, federally recognized tribes, and territories that can be used for projects that reduce or eliminate the risk of repetitive flood damage to buildings insured by the National Flood Insurance Program.

**Fire Management Assistance Grant (FMAG):** This is a FEMA grant program specifically used to reimburse for fire suppression activities, prepositioning activities, emergency services due to the fire, and temporary repair of damaged facilities caused by fire suppression.

**Governor's Authorized Representative (GAR):** An individual designated by the Governor in the federal/state agreement to represent the state in activities related to the implementation of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288, as amended), and in ongoing state disaster or emergency preparedness, response, and hazard mitigation activities pursuant to a Presidential major disaster declaration. In New Mexico, the Governor has designated the Cabinet Secretary of DHSEM as the Governor's authorized (designated) representative.



**Grant:** An award of financial assistance.

**Grantee:** An entity to which a grant is awarded, and which is accountable for the use of the funds provided. Under the Hazard Mitigation Assistance grant programs, the State of New Mexico Department of Homeland Security and Emergency Management is the Grantee, except as indicated in 44 CFR § 206.436(g). - federally recognized Indian tribes or nations may also apply directly to FEMA as grantees.

**Grantor:** Under the Hazard Mitigation Assistance grant programs, FEMA is the grantor. The federal government defines a grantor as the user registered on behalf of their federal grant-making agency to post funding opportunities or manage submissions to these funding opportunities.

**HMGP Lock-in Ceiling:** The level of HMGP funding available to a Recipient for a particular disaster declaration.

**Hazard Mitigation Grant Program (HMGP):** The program is authorized under Section 404 of the Robert T Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5133.

**Hazard Mitigation Grant Program - Post Fire (HMGP-PF):** Section 20602 of the Bipartisan Budget Act of 2018 authorized FEMA to provide HMGP funds once a Fire Management Assistance Grant was awarded.

**Hazard Mitigation Plan (HMP):** The process in which state, tribal, and local governments identify common natural disaster risks and vulnerabilities in their area and develop long-term strategies for protecting people and property from similar events. The latest New Mexico State Hazard Mitigation Plan version received FEMA approval on September 11, 2023, and will be updated every five years per HMA requirements.

**High Hazard Potential Dam Grant Program (HHPD):** FEMA's Rehabilitation of High Hazard Potential Dams grant program provides technical, planning, design, and construction assistance for eligible rehabilitation activities that reduce dam risk and increase community preparedness.

**Indian Tribal Government:** Any federally recognized Indian tribe or nation (Federal Recognized Tribe List Act of 1994, 25 U.S.C. 479a.)(44 CFR 207.2)

**Indirect Costs:** Costs that a Recipient incurs for a common or joint purpose benefiting more than one cost objective that is not readily assignable to the cost objectives specifically benefited. Rates established separately for indirect costs are referred to as indirect cost rates.

**Joint Field Office (JFO):** A temporary field headquarters for FEMA and DHSEM recovery personnel created under a Presidential declaration to establish a coordination point for post-disaster recovery operations.

**Lock-in:** The amount of management cost funds available to a Recipient for PA or HMGP, respectively, for a particular major disaster or emergency, as FEMA determines at 30 days, six months, and 12 months or upon calculation of the final HMGP lock-in ceiling.



**Management Costs:** Any indirect costs, administrative expenses, and other expenses not directly chargeable to a specific project that are reasonably incurred by a Recipient or sub-recipient in administering and managing an HMGP or BRIC grant award. For HMGP, management cost funding is provided outside of federal assistance limits defined under 44 CFR § 206.432(b).

**Market Value:** Generally defined as the amount in cash, or on terms reasonably equivalent to cash, for which, in all probability, the property would have sold on the effective date of the valuation, after a reasonable exposure time on the open competitive market from a willing and reasonably knowledgeable seller to a willing and sufficiently knowledgeable buyer, with neither acting under any compulsion to buy or sell, give due consideration to all available economic uses of the property at the time of the valuation.

**Mitigation Unit:** The unit with the DHSEM Preparedness Bureau is responsible for implementing the New Mexico Hazard Mitigation Program. This Unit reports to and includes the State Hazard Mitigation Officer.

**Multi-family:** A property consisting of 5 or more residences.

**National Environmental Policy Act (NEPA):** PL 91-190, 42 U.S.C., Title I. Passed by Congress in 1970 and established a national policy for protecting and maintaining the environment by providing a process that all federal agencies must follow. The Act requires that federal agencies consider the effects of their proposed actions and alternatives on the human environment before deciding to fund and implement the action.

**National Flood Insurance Program (NFIP):** This federal program, managed by the Federal Emergency Management Administration (FEMA), has three components: providing flood insurance, improving floodplain management, and developing maps of flood hazard zones.

**Notice of Funding Opportunity (NOFO):** A formally issued announcement by an agency of the availability of State, federal, or federal pass-through funding through one of its financial assistance programs. The announcement provides eligibility and evaluation criteria, funding preferences/priorities, the submission deadline, and information on how to obtain an application for the funding opportunity.

**Pass-Through Entity:** A Non-Federal entity that provides a subaward to a sub-recipient to carry out part of a Federal program.

**Payment Management System (PMS):** a tool to help grant recipients draw down funds and file the Federal Financial Report.

**Period of Availability (POA):** The period of time during which the Grantee or sub-grantee is allowed to incur and expend management costs associated with the administration of the grant or sub-grant.

**Period of Performance (POP):** The period of time during which the Grantee or sub-grantee is expected to complete the grant activities and to incur and expend approved funds.



**Point of Contact (POC):** Individual acting as a representative and primary contact person for their entity in daily dealings on a given topic.

**Private Non-profit (PNP):** An organization that has an IRS tax exemption letter or a state PNP certification and which owns or operates an educational, utility, emergency, medical, custodial care, or essential governmental service facility.

**Program Administration by States (PAS):** This program was established after Superstorm Sandy to create a more streamlined grant approval process, allowing communities to get the hazard mitigation funds they need faster.

**Project:** Any mitigation measure, project, or action proposed to reduce the risk of future damage, hardship, loss, or disaster suffering. The terms "project," "measure," or "action" are used interchangeably for the purpose of this Administrative Plan. A logical grouping of work is required due to a disaster or emergency.

**Recipient:** A Non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include sub-recipients. See also 2 CFR § 200.69 Non-Federal entity in the OMB Uniform Grants Guidance.

**Repetitive Loss Property:** A structure covered by a contract for flood insurance made available under the NFIP that:

1. Has incurred flood-related damage on two occasions, in which the cost of the repair, on average, equaled or exceeded 25% of the market value of the structure at the time of each such flood event; and
2. At the time of the second incidence of flood-related damage, the contract for flood insurance contains increased cost of compliance coverage.

**Request for Public Assistance:** Forms used by applicants to apply for public assistance.

**Section 404 Projects:** Projects proposed by eligible applicants to the State Hazard Mitigation Officer for implementation following a Presidential Major Disaster Declaration.

**Section 406 Projects:** Projects that could be integrated into the Public Assistance Program through the Project Worksheet (PW). Certain projects could be classified as "406 mitigation initiatives" when completing the PW related to Public Assistance (PA) or during the Preliminary Damage Assessment (PDA) process. These types of projects should be discussed by the PA Inspector(s), both federal and state, with respective jurisdictional representative(s), while at the damaged site in question. These projects will also be discussed at the DFO (Disaster Field Office) between the FCO (Federal Coordinating Officer) and the SCO (State Coordinating Officer) to ensure that those mitigation opportunities are incorporated into the PA process.

**Severe Repetitive Loss Properties:** A structure that:

1. Is covered under a contract for flood insurance made available under the NFIP; and
2. Has incurred flood-related damage –



- a. For which four or more separate claims payments (including building and contents) have been made under flood insurance coverage with the amount of each such claim exceeding \$5,000 and with the cumulative amount of such claims payments exceeding \$20,000; or
- b. For which at least two separate claims payments (including building only) have been made under such coverage, with the cumulative amount of such claims exceeding the market value of the insured structure.

**SHARE-HMC:** New Mexico State Personnel Office's Statewide Human Resources Accounting and Reporting system by Oracle. Human Capital Management (HMC) is a program designed for timekeeping and payroll.

**Single Audit Act:** A federal law (Public Law 98-502), as amended in 1996, which requires a federal grant recipient to expend during its fiscal year an amount of federal awards (regardless of source) that meets or exceeds a federally specified amount, to perform a specialized (single) audit.

**Small Project:** Under Public Assistance, a logical grouping of work (Project) is segregated by estimated or documented actual costs that fall below a specified monetary threshold established by the Federal Government at the beginning of each federal fiscal year.

**Special Considerations:** Issues involving insurance, floodplain management, hazard mitigation, historic preservation, and environmental reviews as they relate to Public Assistance Program funding.

**State Coordinating Officer (SCO):** The Governor appoints a State Coordinating Officer (SCO) to oversee state response and recovery efforts.

**State Hazard Mitigation Officer (SHMO):** The individual designated by the Governor's Authorized Representative as responsible for all matters related to the Section 404 Hazard Mitigation Grant Program and the Section 409 Hazard Mitigation Planning Program.

**State Hazard Mitigation Program:** This is an ongoing program involving a coordinated effort of state and local agencies, communities, businesses, and the private sector to reduce the threat to people and property from natural hazards. During and following periods of Presidentially Declared major disasters, this program or approach compiles activities required under Sections 404 and 409 of the Stafford Act.

**State Management Costs (SMC):** Any indirect costs, administrative expenses, and any other expenses not directly chargeable to a specific project that are reasonably incurred by a Recipient (the state) in administering and managing an HMGP or BRIC grant award. For HMGP, management cost funding is provided outside of federal assistance limits defined under 44 CFR §206.432(b).

**State Mitigation Representative:** The Mitigation Program staff may include the Response and Recovery Bureau Chief, State Hazard Mitigation Officer, State Mitigation Specialists, State Floodplain Coordinator, Temporary Mitigation Specialists (state temporary hire and/or



contractor hire) or other states through employment of the Emergency Management Assistance Compact. With authorization from the SHMO, any of these staff may provide technical assistance to potential applicants and applicants.

**State Share:** The State of New Mexico's share of disaster assistance for a particular project as defined within the FEMA–State Agreement.

**Sub-applicant:** An entity submitting an application for planning or project activities to the applicant for Hazard Mitigation Assistance. The sub-applicant is called the sub-grantee or sub-recipient upon grant and sub-grant award.

**Sub-award:** An award provided by a pass-through entity to a sub-recipient for the sub-recipient to carry out part of a federal award received by the pass-through entity. A sub-award may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. DHSEM provides these sub-awards via the sub-grant agreement.

**Sub-grant:** An award of financial assistance under a grant for a specific and documented purpose to an eligible sub-recipient.

**Sub-grantee:** The entity to which a sub-grant is awarded and which is accountable to the Recipient for the use of the funds provided.

**Sub-recipient:** A Non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a federal program.

**Sub-recipient Management Costs (SRMC):** This program incentivizes recipients and sub-recipients to practice efficient grant management and complete HMA activities promptly.

**System for Award Management (SAM):** a free website owned by the federal government that consolidates CCR/FedReg, ORCA, and EPLS capabilities.

**Unique Entity Identifier (UEI):** As of April 4, 2022, the Unique Entity ID (UEI) is the official identifier for doing business with the U.S. Government. Entities registering in SAM.gov are assigned a Unique Entity ID as a part of the registration process. Entity uniqueness continues to be validated by an entity validation service. Subcontracting reporting requires the Unique Entity ID obtained from SAM.gov. Interfacing systems must use the Unique Entity ID.

**Unmet Needs Projects:** Special projects requiring services of non-governmental agencies to assist the general public generally accomplished through the New Mexico Volunteer Organizations Active in Disasters (VOAD) organization, often mitigating additional damages following a disaster. Projects may include but are not limited to putting tarps over damaged roofs, cutting trees down by the storm, and other services often needed by service personnel, families, elderly, and handicapped individuals.

**Volunteer Organizations Active in Disasters (VOAD):** A coalition of the major national voluntary organizations in the United States that have prioritized disaster-related work.



**Western States Seismic Policy Council (WSSPC):** is the primary regional organization representing the Western states, Pacific provinces, and territories. It supports policies for earthquake and tsunami programs that will reduce losses from earthquakes and their effects.

Other definitions applicable to the Hazard Mitigation Program are found in 44 CFR, Part 206.401, and the New Mexico Natural Hazard Mitigation Plan.

### 3.3. Organization and Staffing

The primary pre-disaster staffing for the Hazard Mitigation Program will be from DHSEM and include:

- A. Response and Recovery Bureau Chief
- B. Mitigation Unit
- C. State Hazard Mitigation Officer
- D. Mitigation Specialists
- E. State Floodplain Coordinator
- F. Administrative Services Bureau Chief
- G. Grants Management Bureau Manager
- H. Mitigation Sub-grant Analyst
- I. Procurement Specialist

Post-disaster HMGP staff will include DHSEM staff, augmented as workload demands, with:

- A. Other DHSEM employees
- B. Other state/federal agencies
- C. Temporary Mitigation Specialists (state temporary hire and/or contractor hire)
- D. Other states may be requested to assist in various aspects of project management through the employment of the Emergency Management Assistance Compact (EMAC).

If the size of the disaster or the number of mitigation projects exceeds the capacity of the assigned mitigation staff, or if there are multiple ongoing projects, open disasters, and FEMA requirements, other DHSEM personnel may be called upon to assist the mitigation section.

Another source of mitigation staff support is the Emergency Management Assistance Compact (EMAC).

Temporary staff requirements and terms of employment will be reviewed annually, and they will be extended and/or terminated based on actual Hazard Mitigation Program administrative needs.

In accordance with 44 CFR Part 206.437(b)(1), the New Mexico Department of Homeland Security & Emergency Management is the designated recipient agency with the responsibility for administration of the HMGP.

In accordance with 44 CFR Part 206, Subpart N, paragraph 206.439(b) (2):



- 1) The GAR will submit a JFO staffing plan and budget to the FEMA Regional Administrator within five days of opening the Joint Field Office (JFO).
- 2) State Management Costs will be identified and submitted to FEMA. These could include staff or consultant time for application development, engineering/appraisal review costs, and additional staff to manage the HMGP process (e.g., reservists and temporary Hazard Mitigation Specialists). Management costs may also include necessary training, travel, and materials associated with administering the HMGP.
- 3) The State Coordinating Officer and the Response and Recovery Bureau Chief have broad flexibility in utilizing DHSEM staff in any way that is functionally advisable, depending on the need.

### **3.3.1. Mitigation Unit**

The Mitigation Unit, located within the response, recovery, and mitigation bureau, manages all programmatic aspects of the New Mexico Natural Hazards Mitigation Program. Mitigation Specialists and the State Floodplain Coordinator report to the State Hazard Mitigation Officer, and the SHMO reports to the Response and Recovery Bureau Chief.

The staff within the Mitigation Unit will serve as the interagency mitigation team.

#### ***Method of Communication***

Each bureau and unit in DHSEM have a designated general email which shall be used to coordinate communications as described in the processes above. These emails are also listed below:

- Mitigation Unit: [DHSEM.Mitigation@dhsem.nm.gov](mailto:DHSEM.Mitigation@dhsem.nm.gov)
- Grants Management Bureau: [DHSEM-GrantsManagement@state.nm.us](mailto:DHSEM-GrantsManagement@state.nm.us)
- Finance Unit: [Financedropbox@dhsem.nm.gov](mailto:Financedropbox@dhsem.nm.gov)

#### ***State Hazard Mitigation Officer (SHMO)***

The Governor's Authorized Representative designates the SHMO to coordinate activities and serve as the individual responsible for project management, administration of funds, and all matters related to HMA grant programs, including HMGP, PDM, LPDM, BRIC, and FMA. The SHMO has overall management responsibilities and is the state's official responsible for ensuring the state properly carries out its Section 404 responsibilities subsequent to a Presidential Disaster Declaration. The SHMO will:

- Review and update the programmatically relevant sections of this Administrative Plan following material changes in any state law, organization, policy, or state agency operation, changes in federal statutes and/or legislation, or FEMA policy changes.
- Ensure the State Hazard Mitigation Plan is regularly updated, identifies potential hazard mitigation projects, and establishes priorities among those projects.
- Encourage participation of appropriate federal and state agencies in the State



Hazard Mitigation Plan update process and include them as Planning Team Members.

- Encourage participation of the appropriate local agencies and provide technical assistance in administering and implementing Section 404 programs.
- Ensure that section 404 requirements are met and closely tied to the administration of the section 404 grant program.
- Coordinate with the GAR on all policy/regulatory issues. Review and make appropriate recommendations to GAR regarding appeals, cost overruns/underruns, and all other program issues.
- Serves as the GAR's representative when needed in various state and national capacities, including on the Western States Seismic Policy Council (WSSPC) and NM Drought Monitoring Task Force.
- Identify project funding priorities, forecast funding needs for future months, and revise projections as requested by FEMA for the spending plan. The spending plan is coordinated between the SHMO and the FEMA Mitigation Program POC.
- Oversee the State Floodplain Coordinator and assist in administering the CAP-SSSE program as needed.
- Ensure potential applicants are notified of the program and receive assistance to which they are entitled.
- Ensure a proper initial application and any necessary supplemental material are submitted in a timely manner to the FEMA Region VI-identified Point of Contact.
- Coordinate with the ASB Grant Unit Manager to ensure required grant-related application materials are submitted timely to the FEMA Region VI identified Point of Contact.
- Ensure that programmatic, technical assistance is provided to potential applicants or eligible sub-recipients, including organizing conference calls between FEMA specialists and the sub-recipient throughout the application process and the subsequent sub-grant management when appropriate.
- Contribute to the development of procedures developed for the distribution of financial assistance to eligible sub-recipients.
- Ensure the development of a system to monitor the completion of approved projects in federally required time frames.
- Contribute to a system to monitor sub-grantee accounting systems and ensure compliance with 2 CFR 200.
- Track all active mitigation projects to ensure reports are received, the period of performance (POP) for each disaster is adhered to, and requests for extensions are submitted in a timely manner.
- Maintain operational awareness of projects by quarterly reports and site visits to ensure projects progress within established timelines and concur with the FEMA-approved budget.



- Submit sub-grant scope of work and budget modification requests to FEMA as needed.
- Monitor and evaluate project accomplishments and adherence to the work schedule within the POP timeframe.
- Review contractual documents associated with the sub-grant entered into by the sub- recipient.
- The sub-grantee must submit all procurement documents and drafts of any contract for administrative and programmatic review before execution.
- Verify that programmatic work and grant requirements have been met to approve sub- grant reimbursement requests.
- Coordinate with ASB and provide technical assistance as required in administering the mitigation program.
- Process appeals and notify applicants of denials.
- Review and approve ASB-prepared sub-grant and grant files for close out prior to submission to the FEMA Region VI identified Point of Contact.

### ***Mitigation Specialists***

Mitigation specialists perform the same programmatic activities as the SHMO, as assigned by the SHMO.

### ***State Floodplain Coordinator***

The State Floodplain Coordinator is responsible for the Community Assistance Program – State Support Services Element (CAP-SSSE) Cooperative Agreement and related floodplain and flood reduction activities. The Coordinator will be utilized as an additional resource for mitigation activities that address flooding.

## **3.3.2. Administrative Services Bureau**

### ***Grants Management Bureau Manager***

The Grants Management Bureau Manager is responsible for award, execution, and compliance oversight. Tasks include but are not limited to:

- Review and revise this Administrative Plan's finance and grants section following state, federal, organization, or agency policy changes.
- Development of procedures to administer and manage grant and sub-grant level compliance, internal auditing, reporting, monitoring, and performance for the department;
- Ensure grant-related applications and supplemental material, including SF424s and SF425, are submitted timely to the FEMA Region VI identified Point of Contact;
- Coordinate with the SHMO to ensure application and supplemental material are submitted timely to the FEMA Region VI identified Point of Contact;
- Ensure grant-related technical assistance and financial guidance are provided to sub- grantees throughout the life of the sub-grant agreement;
- Ensure grant and sub-grant related close-out documentation and supplemental



- material are submitted timely to the FEMA Region VI identified Point of Contact;
- Contribute to a system to monitor sub-grantee accounting and ensure compliance with 2 CFR 200

### ***Sub-Grant Analyst***

The Sub-grant Analyst provides administrative support to sub-recipients to ensure applicable procedures, reporting, and monitoring are followed. Tasks include but are not limited to:

- Preparing sub-grant administrative documents and agreements per requests of the SHMO, subject to the approval of the Grants Management Bureau Manager;
- Creating and maintaining sub-grant files;
- The sub-grantee must submit all procurement documents and drafts of any contract for administrative and programmatic review before execution. Once reviewed and approved, the Sub-grant Analyst is responsible for notifying the Sub-grantee of approval. Then, the sub-grantee can execute the contract and begin work.
- Confirming that third-party vendors and other relevant parties are in good standing in the System for Award Management (SAM);
- Receiving and processing requests for reimbursement from sub-grantees;
- Reviewing the request for reimbursement or “invoice” for fiscal accountability;
- Preparing documentation for applicable processing and verification in compliance with DHSEM disbursement procedures;
- Coordinating reconciliations of grant activities with the Grants Management Unit Auditor;
- Providing and verifying data for submission to the Grants Management Bureau Auditor to prepare for periodic drawdowns and financial reconciliations of grant funds;
- Maintaining necessary financial documentation and progress reports to support funds distributed to sub-grantee(s);
- Maintaining the official files on administering the sub-grants;
- Tracking cost overruns, audits, and appeals and forwarding documents to the SHMO for program approval;
- Providing grants and financial technical assistance to sub-grantees, including organizing conference calls between FEMA specialists and the sub-recipient throughout the lifetime of the sub-grant agreement.

SHMO and the Grants Management Bureau work closely to ensure the coordination of activities.



## 4. GRANT APPLICATION

DHSEM will represent the state as the recipient. The GAR's delegated representative serves as the grant administrator for project management, administrative requirements, audit requirements, and fund accountability in accordance with 2 CFR 200 and 44 CFR 206 in effect on the date of the declared disaster.

The state's application may be amended as the state identifies and selects approved project applications to be funded.

All mitigation projects approved for the recipient and sub-recipient will be subject to the cost-sharing provisions outlined in the federal award documents and/or FEMA-State Agreement. The non-federal share may exceed the federal share and be combined with other state, local, or private funding sources.

Based on the approved application and work schedule of the project(s), a record-keeping and financial system will be implemented for the duration of each project. The sub-recipient is responsible for maintaining quarterly progress reports, and the required quarterly reporting is submitted to the Mitigation Specialist for submission to FEMA on all open projects.

The GAR and SHMO will notify sub-recipients when the project is approved and a sub-grant agreement with the state has been drafted. The SHMO will provide the sub-recipient additional information concerning administrative procedures, audit requirements, suspense dates, interim inspections, and project completion dates.

The State may request increasing the HMGP 5% initiative to 10% to be used for activities promoting disaster-resistant codes or tornado events. Upon receipt of the initial lock-in letter, the request will be made to FEMA.

## 5. OUTREACH TO POTENTIAL SUB-APPLICANTS

### 5.1. HMGP

The SHMO will work with the SCO and FEMA Mitigation and Public Assistance staff at the JFO to determine a list of potential applicants within the disaster area. Because HMGP is not limited to applicants in the disaster-declared counties, applicants outside the declared counties will also be identified for outreach. It is helpful to inform applicants about the availability of HMGP funding early in the disaster recovery process. Because initial concerns are focused on response and recovery, it is difficult to expect that potential applicants will be able to concentrate on HMGP right away. A general HMGP briefing will be presented at the Public Assistance Applicant Briefings, where the SHMO and other DHSEM staff will;

- 1) outline eligibility for HMGP applicants and projects;
- 2) describe the New Mexico HMGP application process and deadlines;
- 3) provide guidance material and other information to enable potential applicants to prepare a Notice of Interest

The Mitigation Unit will release a Notice of Funding Opportunity (NOFO) announcement for all potential applicants statewide on the availability of HMGP, giving program details, explaining



the application process, general program eligibility, critical deadlines, and reference to the state's mitigation website for more information. This announcement, in the form of a letter, press release, email, and/or web page, is in addition to the general briefing described above. The notification will occur after DHSEM receives the initial lock-in letter. After receiving the initial lock-in letter, the SCO will determine if modifications to this outreach strategy are required.

## **5.2. HMGP-PF**

Because no Public Assistance grant is associated with HMGP-PF, there will be no JFO or SCO. Because HMGP-PF is prioritized but not limited to applicants in the FMAG-impacted communities, applicants outside the impacted communities will also be identified for outreach. A general HMGP-PF briefing may be delivered during an FMAG technical assistance meeting with the impacted communities.

The Mitigation Unit will release a NOFO announcement on the availability of HMGP-PF for all potential applicants statewide. This announcement will include program details, an explanation of the application process, general program eligibility, key deadlines, and a link to the state's mitigation website for more information. It will be in the form of a letter, press release, email, and/or website.

Since HMGP-PF application deadlines typically align with the annual BRIC and FMA NOFOs, DHSEM plans to release the HMGP-PF-specific funding announcements concurrent with the state's notices regarding the other grant programs when HMGP-PF has been awarded for the federal fiscal year. This streamlines the application process and allows for maximum utilization of the available grants.

## **5.3. BRIC and FMA**

The Mitigation Unit will release a funding announcement for all potential applicants statewide on the availability of BRIC or FMA, giving program details, explaining the application process, general program eligibility, key deadlines, and reference to the state's mitigation website for more information. This announcement, in the form of a letter, press release, email, and/or web page, will occur within 60 days of the federal Notice of Funding Opportunity release.

## **5.4. PDM**

The Pre-Disaster Mitigation (PDM) grant has been discontinued and replaced with BRIC (above) starting with FY2020. The State is still actively managing PDM 2017, 2018, and 2019, but no additional notices of availability will need to be sent out.

## **6. SUB-GRANT AWARD NOTIFICATION**

Sub-applicants receiving federal funding for an eligible project type will receive a sub-grant orientation packet before the approved project's kick-off meeting. The pack may be reviewed independently by the sub-applicant and reviewed in the meeting with the Mitigation Unit. The packet acknowledgment form must be signed by an entity representative and returned to DHSEM before proceeding with the project.



The packet includes the FEMA award package and the DHSEM Mitigation Subgrant Agreement. It reviews procurement requirements, reporting requirements, and subgrant amendments and details the subrecipient's responsibility.

## **7. FACILITATION OF APPLICATIONS**

The Mitigation Unit will:

- Provide guidance to applicants to enable them to secure clearance from the various state and federal agencies required to meet all compliance criteria.
- Provide technical assistance to the applicant in all aspects of the application process and subsequent sub-grant management.
- Facilitate technical assistance that may be available to sub-recipients from state agencies for project development and guidance. Technical assistance may also be available from FEMA.

## **8. PLAN EXPIRATION NOTICES**

Each year, typically in the spring, the Mitigation Unit compiles a list of entities within 3 years of their FEMA-approved Hazard Mitigation Plan expires. The Unit then issues a notification on the status of the current plan, possible future funding opportunities, and any special circumstances.

## **9. SUB-GRANT APPLICATIONS**

FEMA will advise the SHMO of the final lock-in amount for HMGP twelve months after the disaster declaration. That amount will be set aside for HMGP projects regardless of any future increases or decreases in Public Assistance funding.

The state may request that the HMGP 5% initiative be increased to 10% to be used for activities promoting disaster-resistant codes or tornado events. Upon receipt of the initial lock-in letter, the request may be made to FEMA at the SHMO's discretion.

Once project applications are submitted to FEMA, no increase in the scope of work will be permitted until full FEMA approval has been received. However, if the cost of doing the scope of work increases post approval of the project, the sub-recipient will have the ability to submit an Amendment to individual projects and increase their funding up to the limit of available HMGP funding for that disaster.

Funds may not be exchanged between disasters and may not be used for new projects once the 12-month application period has passed. DHSEM encourages sub-recipients to submit more projects than can be funded if a funded sub-applicant withdraws its project, thus making additional funds available.

The state may submit a global match ('over match') request in a formal letter as soon as the source and amount are identified. The request will describe the specific projects involved and the estimated global match. As additional funding sources may become available after the close of the application deadline, the state reserves the right to submit the global match request throughout the grant period of performance. For example, the state legislature allocates capital



outlay funding annually. A sub-recipient may receive capital outlay funding after the submittal of the FEMA HMGP application.

To address potential cost-share shortfalls that may occur during the period of performance or at closeout, the state will work with sub-recipients to identify and secure alternative eligible non-federal funding sources. These may include, but are not limited to, state capital outlay funds, local funds, in-kind contributions, or other grant programs that permit use as non-federal match. The state will also monitor project financial status throughout the period of performance and provide technical assistance to sub-recipients to ensure cost-share requirements are met. If a cost-share shortfall remains unresolved by closeout, the sub-recipient will be responsible for covering the deficit with non-federal funds, or the project scope and budget may be revised in coordination with FEMA to reflect available funding.

For the HMGP-PF grant, the funds are determined based on the number of Fire Management Assistance Grants declared within a given federal fiscal year between October 1st and September 30<sup>th</sup> for each FMAG declaration, a FEMA-specified amount is made available under HMGP-PF. The calculation is tied to New Mexico's Standard State Mitigation Plan. Any additional FMAG that will be declared during the current FFY will be updated as received.

## 10. SUB-APPLICANT ELIGIBILITY

- 1) The following entities are eligible sub-applicants per HMA Guidance. However, eligibility for BRIC and FMA is dependent on the annual NOFO.
- 2) Local governments
- 3) Federally recognized Indian tribes or authorized tribal organizations
- 4) Quasi-governmental agencies
- 5) State agencies
- 6) Independent subdivisions of state government
- 7) Universities
- 8) Non-profit organizations (with an effective ruling letter from U. S. Internal Revenue Service, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization is a nonprofit organized or doing business under State Law) as defined in 44 CFR § 206.221(e)

Additional requirements may be implemented, including:

- 1) have a FEMA-approved Natural Mitigation Plan (required for all mitigation applications except HMP planning applications) with an established mitigation strategy.
- 2) be a participating member in good standing with the National Flood Insurance Program (NFIP) or must never have had their floodplains mapped by FEMA.

Per the 2024 HMA Guidance, all sub-applicants for HMGP must have a FEMA-approved local or Tribal Mitigation Plan at the time of obligation of grant funds for mitigation projects. For HMGP and HMGP-PF, project hazard mitigation applications will be taken under advisement



and decided on a case-by-case basis to determine whether the application may be submitted before the completed Mitigation Plan is approved by the State and FEMA and adopted by the entity. Applications will only be accepted from eligible sub-applicants who will have the Hazard Mitigation Plan approved within 12 months of project application submittal.

## 11. PROJECT ELIGIBILITY

All projects must meet basic federal eligibility requirements. Applications will be considered if the project:

- is legal
- is likely to limit loss and prevent harm to human life and property
- constitutes a long-term solution to a well-defined problem
- demonstrates a favorable benefit/cost ratio (not required in some project types)
- The applicant (or other specified entity) is committed to the maintenance of the project for the life of the project
- is environmentally sound
- is technically feasible
- is socially acceptable
- is politically acceptable

In addition, projects:

- must conform with the mitigation goals, objectives, and actions described in the local and State Hazard Mitigation Plans.
- must address or reduce the impact of a natural hazard, reduce injury, and/or result in the protection of property (either public or private).
- It must comply with 44 CFR Part 9, Floodplain Management and Protection of Wetlands, and 44 CFR Part 10, Environmental Considerations.
- Have a beneficial impact, are cost-effective, and substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster. The applicant must demonstrate this by documenting that the project:
  - addresses a repetitive natural hazard or that poses a significant risk to public health and safety if left unsolved;
  - will not cost more than the anticipated value of the reduction in direct damages and subsequent negative impact to the area if future disasters occur. Both costs and benefits will be computed on a net present value basis;
  - is determined to be the most practical, effective, and environmentally sound alternative after consideration of a range of options;
  - contributes to the extent practicable to a long-term solution;
  - does not constitute undue negative permanent effect on the environment or the historic integrity of the surrounding area;
  - considers long-term changes to the areas and entities it protects and



- has manageable future maintenance and modification requirements.

### ***Duplication of Programs or Benefits***

The project must not be funded or have received funds for a similar scope of work or as a match from any other federal source (Duplication of Benefits), including under a previous HMGP, HMGP-PF, FMA, LPDM, or PDM grant. This includes insurance payouts.

Funds cannot substitute for or replace projects or programs that are available under other federal authorities (Duplication of Programs), except under limited circumstances in which there are extraordinary threats to lives, public health or safety, or improved property.

Certification that the project scope of work does not constitute a Duplication of Programs or Benefits may be required. This certification must be signed by the entity's Authorized Organization Representative or elected official.

### ***HMGP and HMGP-PF***

Eligible projects are identified in the Hazard Mitigation Assistance Guidance of 2024.

### ***BRIC***

Project eligibility is dependent on the relevant NOFO for each grant year.

### ***FMA***

Project eligibility is dependent on the relevant NOFO for each grant year. In past FMA years, properties included in a project sub-application had to be NFIP-insured at the time of the application. Flood insurance must be maintained until the mitigation activity is completed and for the life of the structure.

Residential or non-residential properties currently insured with the NFIP are eligible to receive FMA funds. In order to receive an increased federal cost share, properties must be a repetitive loss structure or a severe repetitive loss structure as defined in the definitions section of this document (consistent with the legislative changes made in the Biggert-Waters Flood Insurance Reform Act of 2012).

## **12. PRIORITIZATION AND PROJECT SELECTION**

All projects meeting the minimum criteria and deadlines will be submitted to FEMA for funding consideration. However, the following addresses how applicants are solicited and the process for when more applications are submitted than funding is available.

The SHMO will prioritize proposed projects based on priorities established in the State Natural Hazard Mitigation Plan, although other factors may be considered.

### ***BRIC***

The SHMO will review submitted mitigation applications, consulting with SCO and state and federal agencies as needed. All projects must meet the minimum requirements of 44 CFR 206.434 (b) and 44 CFR 206.435 (b).

Funds will be prioritized for:



- 1) Project Scoping
- 2) Planning Activities
- 3) Capability- and Capacity-Building projects
- 4) Construction projects with a total project cost over what is allocated under HMGP or HMGP-PF or warranting high scores if submitted to the BRIC National Competition



***HMGP***

The SHMO will review submitted mitigation applications, consulting with SCO and state and federal agencies as needed. All projects must meet the minimum requirements of 44 CFR

206.434 (b) and 44 CFR 206.435 (b). If more applications are submitted than available funding, all applications will be submitted to an application review panel for priority ranking by the committee (See Competitive Section).

***HMGP-PF***

Funding will first be available to the county or counties receiving an FMAG declaration. Funding will first be prioritized in the declared or burned area(s). If funding cannot be used in the affected area, downstream communities at risk of post-fire flooding will be considered next. From there, it may be available statewide regardless of whether it benefits a declared county.

Planning funds will be prioritized for:

- 1) communities impacted by the FMAG.
- 2) state-wide planning efforts.
- 3) entities with plans that will expire first.
- 4) new mitigation plans for multi-jurisdictional and tribal entities.
- 5) all other plans or planning activities. Project funds will be prioritized for:
- 6) project in the communities impacted by the FMAG (even if they are not wildfire-related).
- 7) projects that will provide risk reduction benefits to the FMAG-impacted communities (even if the activity is not implemented in the impacted community).
- 8) projects in communities that could be impacted by FMAG post-wildfire damages (for example, downstream debris or flood flows).
- 9) wildfire mitigation, post-wildfire debris, or flood flow anywhere in the State.
- 10) any natural hazard mitigation project anywhere in the State.

However, funds will not be held for prioritized communities or project types that do not meet all established deadlines and minimum application criteria. For example, sub-applicants must submit NOIs and applications by the deadline, submit complete application packets, and respond to Requests for Information by established deadlines for the prioritization ranking to be considered. In addition, the entity's mitigation plan must also be approved and adopted by the time FEMA is ready to award. If the milestones for a mitigation plan creation or update are not met, causing a delay in meeting the mitigation plan requirement, a project that relies on the plan approval will not be prioritized for funding.

**12.1. Selection Criteria**

The SHMO will take the following standards into consideration when selecting a project for FEMA submission. The criteria include, but are not limited to:

- the entity has a FEMA-approved mitigation plan.
- the entity is in good financial standing via UEI or Sam.gov verification.



- a completed application was submitted by the deadline.
- the project accomplishes multiple objectives, including damage reduction, environmental enhancement, and economic recovery when appropriate.
- the project includes multi-jurisdictional cooperation.
- the measures fit within an overall plan for development and/or hazard mitigation in the community or disaster area as described in the local Natural Hazard Mitigation Plan.
- project describes measures that, if not taken, will severely impact the sub-applicant, such as potential loss of life, loss of essential services, or economic hardship in the community.
- measures that have the greatest potential impact on reducing future disaster losses.
- measures that are designed to accomplish multiple objectives for damage reduction, environmental enhancement, and economic recovery.
- the project solves a problem independently or constitutes a functional portion of a solution where there is assurance that the project as a whole will be completed.

## 12.2. Competitive Selection

Based on applications submitted and available funding, plans, and projects may need to be prioritized for funding. The SHMO and DHSEM staff will form a Ranking Committee to review competitive applications utilizing formalized criteria established in the State Natural Hazard Mitigation Plan, this State Mitigation Administrative Plan, and the criteria below. The Administrative Services Bureau will contribute a non-voting panel member to act as Observer. The Ranking Committee shall produce a report. The Observer shall certify that all entities selected for project recommendation in the report are in good financial standing via UEI or Sam.gov verification. The Ranking Committee recommendations are provided to the GAR for approval. After the GAR provides approval, the SHMO contacts each applicant to notify them if their project was selected or not. If a project is withdrawn or is determined not to meet all eligibility criteria, the project with the next highest ranking is funded up to the maximum amount of federal dollars remaining.

Points may be given for the following categories. The Ranking Committee will determine selection of the relevant categories:

- Completeness of the application material.
- Prevents harm to human life.
- Reduces the amount of property damage, both public and private, from natural hazards.
- A real-world event has had a severe detrimental impact on the applicant, such as potential loss of life, loss of essential services, or economic hardship in the community.
- Reduces the number of necessary evacuations.
- Leverages innovation.



- The project is included in the applicant’s General Plan, Comprehensive Plan, or Infrastructure Capital Improvement Plan and/or is identified as a high priority in an adopted plan of the applicant.
- The project effectively reduces risk and increases resilience, realizes ancillary benefits, and/or shortens recovery time (community function, natural environment, other).
- The project anticipates future conditions (population/demographic/climate changes, etc.).
- The project sub-application demonstrates community-wide benefits and identifies the proportion of the population that will be impacted. The application also describes how impacts (positive or negative) on socially vulnerable populations inform project selection and design.
- The project benefits a disadvantaged community (all geographic areas within Tribal jurisdictions, low income, high and/or persistent poverty, high unemployment, and underemployment, racial and ethnic segregation, linguistic isolation, high housing cost burden and substandard housing, distressed neighborhoods, limited water and sanitation access and affordability).
- The sub-application describes outreach activities, identifies the level of public support, outlines the types of community planning processes leveraged, and/or incorporates state, tribal, private, and local community partnerships, communication, and collaboration that will enhance its outcome (increased non-federal cost share, multi-jurisdictional projects, etc.).

### 12.3. Selection for Project Scoping

Project scoping is the successor to Advance Assistance, which was previously used in other Hazard Mitigation Assistance programs, such as the Hazard Mitigation Grant Program, Flood Mitigation Assistance Grant Program, and Pre-disaster Mitigation Grant Program. This change was made to align the activity's name with the purpose of this project type. As detailed below, activities previously eligible under Advance Assistance will remain eligible for project scoping under BRIC.

Project scoping activities are designed to develop mitigation strategies and obtain data to prioritize, select, and develop complete applications in a timely manner that either improve the capability to identify appropriate mitigation projects or in the development of an application-ready mitigation project for BRIC or another funding opportunity.

Priority is given in the following order:

- 1) Entity has not received HMA funding in the past
- 2) Multi-jurisdictional cooperation
- 3) Multiple objectives
- 4) Experienced a real-world event
- 5) Anticipates future conditions



- 6) Fits within the overall plan for development
- 7) Describes outreach activities
- 8) The project is included in other Plans

## **13. APPLICATION PROCEDURE**

### **13.1. Notice of Interest (NOI)**

To save time and effort in preparing formal applications for projects that may not meet basic requirements, applicants must submit a pre-application Notice of Interest. With this document, the applicant describes the project and shows that it meets federal and state requirements. The Mitigation Unit will review the Notice of Interest for suitability under FEMA mitigation programs. NOIs will be processed only if the applicant's mitigation plan is approved or pending. Entities with a Hazard Mitigation Plan pending approval will be evaluated for application development on a case-by-case basis.

The NOI deadline will be established for each disaster declaration (HMGP), each Fire Management Assistance Grant declaration (HMGP-PF), and PDM, BRIC, or FMA Notice of Funding Opportunity. The NOI deadline will be at least one month after federal notification and not more than eight months after FEMA's disaster declaration or notification of available funding.

DHSEM will process late Notice of Interest for those applicants who provide suitable documentation to support and justify the reason for the delay. The NOI and justification will be submitted to the DHSEM Cabinet Secretary, who will determine if the entity can continue with the application process.

### **13.2. Technical Assistance to Sub-Recipients**

To offer technical assistance to sub-recipients applying for FEMA Hazard Mitigation Grant Program (HMGP) funds, the State Hazard Mitigation Office (SHMO) will implement a structured support process designed to build local capacity and ensure the submission of high-quality applications. The state will initiate this process through outreach and education efforts, including hosting informational webinars and distributing application guidance materials. Mitigation specialists will be assigned to provide support to sub-recipients to discuss project concepts, evaluate feasibility, and align proposals with FEMA's mitigation priorities. The state will also offer pre-submission reviews of draft applications to identify potential issues and provide recommendations for improvement. To enhance its capacity, the state may utilize contract support to supplement staff efforts and provide specialized services, such as engineering assessments, benefit-cost analysis, or environmental and historic preservation (EHP) documentation assistance. All technical assistance efforts will be focused on strengthening sub-recipient capacity while improving the accuracy, completeness, and competitiveness of HMGP applications.

### **13.3. Benefit-Cost Analysis (BCA)**

In coordination with FEMA, the state will complete an engineering technical feasibility analysis on each eligible mitigation project submitted. The project must be feasible and must reduce damages as proposed; otherwise, the BCA modeling will not be accurate, and the project will not



be eligible. Technically feasible and eligible project applications are required to have a positive benefit-cost ratio of 1.0 or greater, regardless of the type of mitigation measure or the mitigation funding source. It is a federal requirement that all HMA projects be cost-effective, meaning the avoided future losses are equal to or higher than the project costs.

At its most basic level, the Benefit Cost Analysis (BCA) determines whether the cost of investing in a mitigation project today will result in at least an equal amount of future damages avoided. If the benefit (future damages avoided) is equal to or more than the cost, the project is considered to be cost-effective.

For all applications that require a positive BCA, the sub-applicant must indicate on the NOI if they require state assistance to run a BCA analysis. After the NOI and before the application is due, an initial BCA run must be completed to ensure the project is generally cost-beneficial.

If an entity can run its own BCA using the FEMA software, DHSEM will review the applicant's BCA models, input data, and supporting documentation. The reviewer may suggest changes to the applicant to make the project more efficient in reducing damage and loss.

If assistance is required, the applicant must complete a Benefit-Cost Analysis Data Form, and the state will assist with a general Benefit-Cost Analysis to determine if the project will likely result in at least a 1:1 ratio (benefits at least equal the costs).

The Mitigation Unit will screen applications based on the BCA submitted by eligible applicants or run by the state. The Unit will review and provide feedback to sub-applicants, which may include additional Requests for Information. If the initial run does not show that the project is cost-beneficial, the applicant can then decide if they want to invest additional time and resources into collecting data to pursue a 1:1 ratio.

Applications that are not cost-beneficial will not be reviewed and ranked for consideration. If the state's Hazard Mitigation Assistance grant programs become competitive, the BCA may also be used as one of the scoring criteria in the ranking process.

### **13.4. Application Packet**

The sub-grant application deadline will be established for each disaster declaration. The state application deadline will be at least two months prior to the grant application deadline. The grant deadline is typically twelve months after the disaster declaration date. Unless indicated otherwise in a NOFO, all application packets for all HMA grants must include:

- 1) HMA Application (either through the FEMA platform or the state's version)
- 2) Scope of Work
- 3) Schedule
- 4) Detailed Cost Estimate
- 5) Budget Narrative
- 6) Non-Federal Funds Commitment Letter
- 7) Delegation of Signature Authority Letter
- 8) Standard form 424



- 9) SF-LLL
- 10) Sam.gov registration report demonstrating that the sub-recipient is active and in good standing

Planning and non-construction applications must also include:

- 1) Participation Letters from each participating community (plans only)
- 2) Standard Form 424 A
- 3) Standard Form 424 B

Construction and land disturbance projects must include:

- 1) Latitude and longitude
- 2) Response to the environmental considerations
- 3) Construction drawings
- 4) Benefit-cost analysis, report, and all supporting material
- 5) Standard Form 424 C
- 6) Standard Form 424 D
- 7) Maintenance Agreement
- 8) Project area maps (depending on project type, several different maps may be required)
- 9) Certification of no Duplication of Programs or Benefits (if applicable)
- 10) Photos (if applicable)
- 11) Equipment quotes or price support documentation (if applicable)
- 12) Any additional project-specific supporting documentation requested by FEMA

#### **13.4.1. Budget Considerations**

All HMA grants typically require a minimum non-federal match of 25%. However, the President has authorized a 10% match for any emergency or major disaster declaration declared from or having an incident period beginning between January 1, 2020, and December 31, 2021. This specifically includes HMGP-4529.

Non-federal match can be in the form of cash or in-kind services (staff time, use of entity-owned equipment, volunteer time, etc.). More than the required 25% of non-federal match can also be applied to the project. The total project cost (for purposes of the BCA and budgeting) includes the total amount of requested federal funds and the total amount of non-federal funds. All costs associated with the completion of the project must be accounted for. Failure to properly document and account for the actual total project cost can lead to de-obligation of funds or, particularly when the unaccounted costs result in a BCA of less than 1.0, termination of the sub-grant agreement.

#### ***Pre-Award Costs***

Pre-award costs are those incurred by the sub-recipient prior to the effective date of the federal award or sub-award directly pursuant to the negotiation and in anticipation of the federal award where such costs are necessary for efficient and timely performance of the scope of work. For instance, if an entity tracked staff time spent preparing the application or paid a contractor to



develop construction drawings, these costs can be counted as part of the required non-federal match or can be reimbursed out of the federal share once the project is awarded. If pre-award costs are requested, the application must include separate line items identifying the eligible pre-award tasks and costs as part of the total project cost, reflected in the BCA.

All requests for reimbursement or match use of pre-award costs are subject to the same state review for eligibility and documentary support applied to project implementation reimbursement requests.

The sub-recipient may not implement any Project construction activities or request reimbursement before final FEMA approval and execution of the Sub-grant Agreement with DHSEM.

### ***Sub-recipient Management Costs***

The cost estimate can include up to 5% of the total project cost for Sub-recipient Management Costs (SRMC). SRMC, as established in the DRRRA, is 100% federal money requiring no match. For example, if a \$100,000 project has been awarded a \$75,000 federal share and a \$25,000 non-federal share, an additional \$5,000 in federal funds is awarded. SRMC is a separate pool of funding and will not be calculated as part of the project's BCA. Eligible tasks under SRMC include any administrative expenses, indirect costs, and any other expenses that are reasonably incurred by the sub-recipient for managing the awarded grant. Eligible Activities for SRMC are project monitoring, record retention, quarterly program and fiscal reporting, compliance activities associated with federal procurement requirements, record retention, technical monitoring.

### ***Strategic Funds Management***

Strategic Funds Management (SFM) is designed to provide incremental funding based on a sub-recipient established project schedule to execute the eligible work. For HMGP and HMGP-PF projects with a federal cost share of \$1 million or more, compliance must be shown for Strategic Funds Management. Compliance will be in accordance with FEMA's "Strategic Funds Management Implementation Guide for Hazard Mitigation Grants Program".

If the project is deemed to require SFM, SHMO and Mitigation Specialist will review and revise the budget with the sub-recipient to ensure that the project supports incremental obligation. The sub-recipient may submit a waiver request with justification on a per-project basis. If the state supports the waiver, the SHMO will submit a waiver request to FEMA Region VI as part of the application.

### ***Phased Projects***

Phased projects are complex projects where funding is provided to assist in preparing the technical and environmental information or feasibility studies, before issuing a full construction approval. Phasing a project allows funds to be reserved through the same grant cycle.

Phase I funds will be awarded first, and Phase 1 deliverables will be submitted to FEMA for review for Phase II approval of construction. If FEMA determines a project is not cost-effective or technically feasible after Phase I's completion, FEMA will deny Phase II, and the project will proceed with closeout.



A construction or land disturbance project may be phased to allow sufficient time and resources to prove that all grant requirements are met. The sub-grant application must be prepared for the entire project with phasing identified in the cost estimate, scope of work, and schedule.

Typically, Phase I deliverable package will generally include pre-award costs, environmental compliance, Benefit Cost Analysis, finalizing construction drawings. Phase II is the implementation of the construction project. HMGP, HMGP-PF, and BRIC (if specified in that funding year's NOFO) allow for phasing. All Phase I Deliverables must be submitted and reviewed by both DHSEM and FEMA before the Phase II award is processed by FEMA. The Sub-recipient will not be able to move forward with Phase II until FEMA approval has been provided. The FEMA review and award process typically takes three – four months and must be accounted for in the project schedule.

If the phased project is awarded, one sub-grant agreement will be executed, providing twelve months from completion of Phase I of the project. Upon FEMA award of Phase II funding, the sub-grant agreement will be amended to reflect the full project scope of work, budget, and schedule.

### ***Environmental Compliance***

In conformance with 44 CFR Part 9 and FEMA Directive 108-1 (44 CFR §206.437(b)(4)(iv), all land disturbance applications will be subject to environmental management review. Sub-applicants must respond to the Environmental Considerations Information as part of the application packet. Applications that do not address the Environmental Considerations will not be considered. DHSEM will work with the FEMA Region VI Environmental and Historic

Preservation Officer, who coordinates with the State Historic Preservation Officer and/or Tribal Environmental Officer or Tribal Historic Preservation Officer to review and comment on the Environmental Considerations in order to:

- 1) Assure that in carrying out project responsibilities it is in a manner consistent with state, tribal, and national environmental policies;
- 2) Use all practical means and measures to protect, restore, and enhance the quality of the environment and to avoid or minimize adverse environmental consequences;
- 3) Achieve use of the environment without degradation or undesirable and unintended consequences;
- 4) Preserve and maintain historic, cultural, and natural aspects while supporting diversity and variety of individual choices;
- 5) Achieve a balance between resource use and development within the sustained carrying capacity of the ecosystem involved;
- 6) Enhance the quality of renewable resources;
- 7) Work towards maximum attainable recycling of resources;
- 8) Assess the environmental consequences of actions;
- 9) Use an interdisciplinary approach to ensure integrated use of natural and social sciences to fully address environmental consideration in planning and decision-making where there is a potential for environmental impact;



- 10) Ensure presently unmeasured environmental amenities are considered in the decision- making process;
- 11) Consider reasonable alternatives to recommend courses of action;
- 12) Provide technical assistance and information useful in restoring, maintaining, and enhancing the ecosystem's overall quality.
- 13) In accordance with the Standard Operating Guidelines, Responses to Environmental Considerations (RECs) are conducted and filed accordingly.
  - a. When made available to DHSEM from FEMA, the EHP REC will be emailed to the sub-recipient from the Mitigation Unit POC and filed in the DHSEM Mitigation Unit SharePoint site under the respective sub-grant.

### ***Floodplain Management Review***

All project applications will be subject to floodplain management review. The DHSEM Floodplain portion of the Environmental Considerations Information must be completed. Applications that do not address impacts to the floodplain will not be considered.

DHSEM will coordinate with the FEMA Floodplain Specialist, State Floodplain Coordinator, and local or tribal floodplain manager to conduct floodplain management reviews. The application process requires applicants to provide the following information:

- 1) Avoid long and short-term adverse impacts associated with the occupancy and modification of floodplains and the destruction and modification of wetlands;
- 2) Avoid direct and indirect support of floodplain development and new construction in wetlands wherever there is a practicable alternative;
- 3) Reduce the risk of flood loss;
- 4) Promote the use of nonstructural flood protection methods to reduce the risk of flood loss;
- 5) Minimize the impact of floods on human health, safety and welfare;
- 6) Minimize the destruction, loss or degradation of wetlands;
- 7) Restore and preserve the natural and beneficial values served by floodplains;
- 8) Preserve and enhance the natural values of wetlands;
- 9) Involve the public throughout the floodplain management and wetlands protection decision- making process;
- 10) Adheres to the objectives of the Unified National Program for Floodplain Management and
- 11) Improve and coordinate DHSEM plans, programs, functions, and resources so that New Mexico can attain the most effective floodplain program in accordance with the FEMA state- tiered assessment.

### **13.4.2. Requests for Information**

After submitting a complete application packet, the Mitigation Unit will conduct a state review. A state-level Request for Information (RFI) will identify any discrepancies or outstanding information required for submission to FEMA. The Mitigation Unit will work with the sub-applicant on any critical defects that would result in immediate denial of an application.



Depending on the issues identified, the state may call out items that are necessary for award but would not be grounds for FEMA to immediately deny a project application. Applications submitted to FEMA should be as complete as possible. The state’s goal is to submit approval-ready applications and avoid formal FEMA RFIs.

Once the state’s RFIs have been met and the application packet is finalized, the SHMO will submit it to FEMA for review and approval. The submittal packet will include a state support letter identifying the project name, funding source, federal share, and any special circumstances.

Any additional information that FEMA Region VI may require will be in the format of a FEMA Request for Additional Information (RFI) with a specific submission deadline outlined. The Mitigation Unit will communicate the RFI topics and deadline to the sub-applicant and provide technical assistance for submittal. The state will set an RFI deadline ahead of the FEMA formal RFI schedule to allow for state review before submitting to FEMA. If the sub-applicant does not meet the final deadline for RFI, FEMA will determine that the project does not meet the requirements, and the application will be denied.

FEMA Request for Information Timeline:

Request Format	Timeline
<b>Informal – First Request</b>	The FEMA <b>project officer</b> requests additional information from the applicant in writing. Unless the HMA program is competitive, FEMA may provide technical assistance, if requested, to help the applicant respond to the RFI and set a new time frame for the applicant’s response. Depending on the HMA program, the applicant may consider phasing the project if it is feasible to do so. If the requested information is not received within 30 calendar days from the date of the request, FEMA will consider the application to be incomplete and not approvable and will proceed with the process below to send an informal second request.
<b>Informal – Second Request</b>	The FEMA <b>hazard mitigation branch chief</b> requests additional information in writing. If the requested information is not received within 14 calendar days from the date of the request, FEMA will consider the application to be incomplete and not approvable. FEMA may provide technical assistance, if requested, unless the HMA program is competitive. FEMA, recipient and applicant staff should meet to resolve any open items within the allotted time frame, if necessary.
<b>Formal Request</b>	In a formal letter to the applicant, the FEMA regional administrator requests additional information and documents previous requests. The information must be submitted within 30 calendar days.
<b>Formal Denial</b>	If the FEMA regional administrator does not receive the requested information from the formal request within 30 calendar days, FEMA considers the subapplication to be incomplete and therefore ineligible for assistance. FEMA sends a formal denial letter at that time.

FEMA regional administrator may review if additional time is needed to address the requirement if an extension is requested.



## 14. ADMINISTRATION OF SUB-GRANT FUNDS

DHSEM will administer sub-grant funds in accordance with DHSEM's Sub-Grant Recipient Monitoring Policy, GRA 418, and its GRA 418 Sub-Recipient Monitoring Procedures.

DHSEM will ensure that sub-recipients are aware of requirements imposed upon them by federal statute and regulation at the Sub-grant Orientation meeting and through wording in the sub-grant agreement. Sub-recipients are contacted to plan either an in-person meeting, a conference call, or a video call to discuss expectations, procedures, and helpful information for adherence to the sub-grant guidelines and requirements. Topics include records management, timely reporting, procurement responsibilities, reimbursements, amendments and extensions, and close-out procedures.

A sub-grant agreement will be drafted to convey the sub-grant terms to the sub-recipient and document the agreement between DHSEM and the sub-recipient. The DHSEM sub-grant analyst will check Sam.gov before executing the sub-grant agreement and issuing the sub-grant to ensure that the sub-recipient is registered.

### 14.1. Sub-Recipient Responsibilities

Sub-recipients are accountable to the recipient for all funds awarded, including copies of all service and construction contracts, all payment requests with supporting receipts, and project close-out documentation as required.

NOTE: Copies of all service and construction contracts executed by the sub-recipient are to be submitted to DHSEM for approval prior to execution. A final signed copy is placed in the sub-grant folder for reference.

The sub-recipient is responsible for:

- Managing the implementation of the approved project.
- Complying with the grant requirements and award management procedures stated in the sub-grant agreement, and other applicable federal, state, and local laws and standards.
- Accounting for the appropriate use of award funds.
- Submitting complete and accurate quarterly reporting.
- Ensure that projects begin within 90 days of approval and are completed within the approved performance period.
- Maintain the financial records and receipts necessary to document all expenditures connected with the project.
- Maintain a project file that includes copies of the Recipient-Sub-recipient Agreement, Meeting Notes, Correspondence, Memorandums and Notes to File, Public Notices, Application and Submittal Information, Financial Records, Reimbursement Documentation, and any other important information related to the project.

### *Quarterly Reporting*



Quarterly Reports from sub-recipients are due to DHSEM on the 15th of the month following the end of each quarter.

- 1st federal quarter (October–December) due January 15
- 2nd federal quarter (January–March) due April 15
- 3rd federal quarter (April–June) due July 15
- 4th federal quarter (July–September) due October 15

The Mitigation Unit POC will contact the sub-recipient on the 1st of each month when the quarterly report is due as a reminder of when the reports are due to DHSEM.

On the 15<sup>th</sup> of each month that reports are due, the DHSEM Mitigation Unit will meet to review the reports received to date and identify deficiencies. DHSEM Mitigation specialists will have 1 week to review quarterly progress reports and identify deficiencies. If the report needs revisions, the Mitigation Unit POC will contact the sub-recipient and request that changes be made. If the quarterly report is sufficient, the SHMO will sign off on the report and they will be filed in the Mitigation Unit files. The SHMO will complete and email the HMGP Quarterly Report Spreadsheet to FEMA on the final day of the month, (January 31<sup>st</sup>, April 30<sup>th</sup>, July 31<sup>st</sup>, and October 31<sup>st</sup>).

All quarterly progress reports, quarterly financial reports, and related correspondence will be saved in the DHSEM Mitigation Unit SharePoint site under each respective sub-grant.

Failure to submit the quarterly reports completely and on time will prevent the sub-recipient from receiving payment of any requested reimbursements. Repeated failure to submit reports could result in the cancellation of the approved project funding (by FEMA and/or the state) and the requirement for the sub-recipient to reimburse FEMA through the state for project funds already received.

### ***Extension Requests***

In accordance with 2 CFR 200.309, DHSEM will approve sub-grants for the maximum FEMA grant period of performance. The most recent HMGP guidance defines the performance period as 48 months from the closing date of the application period for HMGP. BRIC, LPDM, PDM, and FMA Notice of Funding Opportunity determine the start and end dates of the period of performance.

To request a POP extension for a sub-grant, the request must be made to the state no later than 60 days before the sub-grant period of performance expires. The request must be made using the DHSEM Mitigation Program Sub-Grant Modification Request Form and must include a justification for the extension and a revised project schedule.

Extension of the sub-grant will require an extension of the overall grant and must have compelling justification to be submitted to FEMA. After FEMA review and approval of the extension in accordance with 2 CFR 200.308, DHSEM will notify the sub-recipient of approval of the sub-grant period of performance, and an amended sub-grant agreement will be provided to the sub-recipient for signature.



### ***Budget and SOW Modifications***

Any changes that occur to a project's scope of work, change order, task order or budget change greater than 10% of the total project costs between the line items after a project has been awarded must be accounted for with an Amendment to the approved Application. The sub-recipient must request the amendment through a Sub-grant Modification Request and submitted to DHSEM for review. A consultation with a Mitigation Unit POC will determine if a budget or scope of work modification is required. The procedure to obtain a budget or SOW modification is outlined in section 6.4 of the Mitigation SOG.

Scenarios that require a budget modification include but are not limited to:

- Increase in the total project cost.
- Request for additional federal funds.
- Change to the match fund source.
- Change of more than 10% of the total project cost between line items.
- Scenarios that require a scope of work modification include but are not limited to:
  - Change in the installation, construction site, or treatment area.
  - Change in the type or size of the equipment to be installed.
  - Modification to the design
  - Remove or add a scope of work activity.
  - Move a scope of work activity from being completed by a contractor to in-house staff, or vice versa.
  - Reallocate staff time and activities from in-kind match to federal reimbursement.
  - Most modification requests reviewed by DHSEM require FEMA pre-approval. The state will draft a support letter, submit the packet for review, and facilitate response to any FEMA RFIs. After the modification is approved, a sub-grant amendment will be provided to the sub-recipient for signature.

### ***Procurement***

The sub-recipient is required to submit all procurement documents, including a copy of the local procurement policy, RFPs, task orders, change orders, contracts, and/or similar documents, to DHSEM to review for approval before the sub-recipient's execution of the documentation. The Mitigation Unit and Administrative Services Bureau are responsible for reviewing procurement procedures and professional contracts before they are executed by the sub-recipient. A Quick Guide to Procurement will be provided to the sub-recipient as part of the Sub-grant Orientation Packet.

Upon receipt of any contractual documentation or RFP, a review is conducted by the Mitigation Unit and DHSEM's Procurement Officer utilizing an internal Mitigation Unit Procurement Review Checklist that is in alignment with FIN 115. The Mitigation Unit POC will confirm that the programmatic requirements have been met; this includes the fact that the scope of work and budget are clearly defined and eligible and conforms to the tasks approved by FEMA in the application. The Mitigation Unit POC will work with DHSEM's Procurement Officer and mitigation sub-grant analyst to ensure that procurement requirements have been met.



Deliverables must be identified and clearly tied to both the scope of work and payment schedule. The payment process must also be clearly defined. The Mitigation Unit will provide technical assistance to the sub-recipient to meet programmatic requirements only. Once reviewed and approved, the Mitigation Unit POC is responsible for notifying the sub-recipient of approval to proceed with the applicable next steps in procurement and/or contract execution.

DHSEM will maintain a contract administration system that ensures compliance with 2 C.F.R. § 200.318 to use documented procurement procedures consistent with State, local, and tribal laws and regulations to ensure contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

2 CFR 200.213 of the UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS states: Non-federal entities and contractors are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

DHSEM utilizes the System for Award Management (SAM) to verify that a Unique Entity Identifier (UEI) is in good standing.

DHSEM will also comply with 2 C.F.R. § 200.322, Domestic preferences for procurements, and 2 C.F.R. § 200.323, Procurement of recovered materials, and ensure that every purchase order or other contract includes any clauses required by 2 C.F.R. § 200.327 Contract provisions.

DHSEM is prohibited from awarding contracts to suspended or debarred parties per 2 C.F.R. § 200.214.

DHSEM will comply with the following federal procurement requirements:

- 2 C.F.R. § 200.214, Suspension and Debarment
- 2 C.F.R. § 200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.
- 2 C.F.R. § 200.322 Domestic preferences for procurements.
- 2 C.F.R. § 200.323 Procurement of recovered materials
- 2 C.F.R. § 200.327 Contract provisions (including Build America, Buy America Act (BABAA) requirements and Prohibition on certain telecommunications and video surveillance services of equipment)

Should FEMA request a review of pre-procurement documents and modifications, DHSEM will provide all relevant materials. The request should be made to the DHSEM Mitigation Sub-grant Analyst with a copy to the SHMO (2 CFR §200.325).

## **15. SUB-RECIPIENT MONITORING**

To maintain compliance with the sub-grant agreement, the following requirements must be met:

- 1) Obtain a fully executed and approved sub-grant agreement or amendment.



- 2) Attend the post-award Sub-grant Orientation meeting or conference call.
- 3) Submit Quarterly Reports in a timely manner.
- 4) Complete the scope of work according to the FEMA-approved schedule.
- 5) Submit all legally binding agreements to DHSEM for review and approval prior to release or execution.
- 6) Maintain records in compliance with federal requirements.
- 7) Complete the FEMA-approved scope of work as approved.
- 8) Comply with monitoring requirements, including photographs and initial, 50%, 100%, and as-needed on-site inspections.
- 9) Consult with the Mitigation Unit and submit Extension Requests and Budget and Scope of Work Modification Requests as needed and in a timely manner.
- 10) Communicate in a responsive manner.

In accordance with 2 CFR Part 200.332, fiscal monitoring will be an integral element of the Department to assist DHSEM in fulfilling its obligations. DHSEM is responsible for fiscal monitoring of all sub-recipients regardless of the federal funding source. Fiscal monitoring is conducted through documentation review, on-site visits, review of Single Audit (formerly A-133) reports, and technical assistance. All DHSEM sub-recipients have been assigned a Sub-grant Analyst responsible for this fiscal monitoring function. DHSEM's responsibilities are to:

- 1) Provide ongoing fiscal oversight and fiscal monitoring of all federally funded sub-grant agreements.
- 2) Obtain a reasonable assurance that recipients are expending funds in accordance with state and federal guidelines.
- 3) Inform sub-recipients of fiscal compliance requirements.
- 4) Provide technical advice and training to sub-recipients as necessary and feasible.
- 5) Help ensure timely expenditure of grant funds.
- 6) Work with sub-recipients to help detect and prevent fraud and abuse.

### **15.1. Non-Compliance**

DHSEM has developed and implemented internal monitoring protocols and procedures that ensure compliance with 44 CFR Part 206 and 2 CFR 200.332 administrative requirements. Mitigation Specialists and the Sub-grant Analyst meet as needed to discuss sub-grant status, deadlines, outstanding items, upcoming events, etc. In instances of non-compliance, including audit findings, DHSEM will promptly work with sub-recipients to address corrective actions as part of monitoring procedures, according to 2 CFR 200.303 (d).

If a sub-grantee fails to submit documentation in a timely manner, respond to corrections, complete the scope of works tasks in accordance with the FEMA-approved schedule, or respond to offers for technical assistance, the non-compliance process is triggered.

- 1) The Mitigation Specialist and Sub-grant Analyst meet to reconcile the sub-grantee's file and document all outstanding issues. An email including a list of non-compliant



- items in bullet point format is drafted, and a deadline is set for submission of all outstanding items, typically 2 weeks.
- 2) The Mitigation Specialist and Sub-grant Analyst provide findings to the State Hazard Mitigation Officer and Grants Manager for edits or approval.
  - 3) The Sub-grant Analyst sends the approved notice to the Grants Analyst for distribution. Mitigation sub-grant non-compliance activity is sent to/from [DHSEM.mitigation@dhsem.nm.us](mailto:DHSEM.mitigation@dhsem.nm.us).
  - 4) If the sub-grantee responds within one week of receipt, the Mitigation Specialist and Sub-grant Analyst will review the documentation and meet to determine the next steps. Findings are provided to the State Hazard Mitigation Officer and Grants Manager for edits or approval, and a follow-up email is sent to the sub-grantee. This process continues until the sub-grant is once again in compliance with the terms of the sub-grant.
  - 5) If the sub-grantee does not respond or fails to meet deadlines and/or correct compliance violations, the Mitigation Sub-grant Analyst and Mitigation Specialist will meet to review the initial non-compliance email and make any necessary changes, including modification of the due date. DHSEM General Counsel and the GAR are advised of possible sub-grant termination. Depending on management approval, this notice may include the statement that failure to bring the sub-grant into compliance will result in “termination of the sub-grant agreement.” At least one other point of contact from the entity will be included in the email and call notification.
  - 6) If the applicant has not met all requirements after two rounds of deadlines have passed, the Grants Unit Manager and State Hazard Mitigation Officer will determine the next step. Standard practice will be to issue a Notice of Termination Letter providing 30 days for compliance.
  - 7) The Grants Unit Manager and State Hazard Mitigation Officer, in coordination with DHSEM General Counsel, will notify the Sub-grant Analyst to prepare a Notice of Termination Letter. Once the draft letter is approved, it is sent via email and mailed in hard copy to the sub-grantee's point of contact and official representative for the entity.
  - 8) If the sub-grant is not compliant by the deadline, the Sub-grant Analyst will notify the Grants Manager, SHMO, and DHSEM General Counsel. Upon approval, the Sub-grant Analyst will draft the Grant Adjustment Notice (GAN). The GAN is sent to the Mitigation Specialist, who reviews it and forwards it to the SHMO for approval. Once approved, the GAN is emailed to the entity's sub-grantee point of contact and official representative.

Note: If any party receives an email response or call from the sub-grantee, all parties must be aware through email correspondence (either a forwarded email sent from the sub-grantee or an email summarizing the phone call). ‘All parties’ include the Mitigation Specialist, the Sub-grant Analyst, and the Grants Manager via the [DHSEM.Mitigation@dhsem.nm.gov](mailto:DHSEM.Mitigation@dhsem.nm.gov) email account.



## 15.2. Conflict Resolution

The SHMO will monitor and evaluate the progress of sub-grants via Quarterly Reports, site visits, telephone calls, email, and postal mail throughout the project. For construction projects, the SHMO or other designated person will visit the project site at the request of the sub-recipient to provide direct advice and attempt to resolve difficulties. The SHMO may also visit the project site to perform an interim inspection at any time.

To minimize applicant appeals, DHSEM will follow the following conflict resolution process:

- 1) The Mitigation Unit POC will notify the SHMO of any non-compliant issues or conflicts requiring management attention.
- 2) The SHMO will work directly with the applicant to resolve the issue.
- 3) If they cannot resolve the issue, the SHMO will notify the Response & Recovery Bureau Chief and work with the applicant to resolve it.
- 4) If they cannot resolve, the SHMO and Preparedness Bureau Chief will consult with the ASB Grants Manager and, as needed, the ASB Bureau Chief and General Counsel. They will work together with the applicant to resolve the issue.
- 5) If all these steps fail and the issue remains unresolved, the Cabinet Secretary will be briefed on the issue, and the applicant may submit a formal appeal to the Cabinet Secretary.

## 15.3. Appeal Procedure

In accordance with the 44 CFR, any eligible applicant may appeal any state or FEMA decision regarding projects submitted for HMGP funding under the following appeal guidelines. In New Mexico, this process will be followed for all HMA grant programs unless FEMA specifies another process.

- 1) The appeal package must contain documentation that justifies the request for reconsideration, such as but not limited to:
  - a. a necessary change in the scope of work
  - b. an increase in the cost of available materials
  - c. new or corrected information
  - d. reviewer oversight from lack of documentation
- 2) The appeal must be in writing and signed by the entity's Authorized Organizational Representative or chief elected official.
- 3) The sub-recipient must submit the appeal to the recipient within 30 days of the date of written notice of the determination being appealed.
- 4) The SHMO is responsible for determining which appeals are sent to FEMA based on the appeal received; however, all appeals must be submitted to ASB Leadership prior to being submitted to FEMA. Collectively, unjustified appeals at the state level will be determined.
- 5) If supported, the appeal will be reviewed by the SHMO and sent to FEMA with a state determination letter within 60 days of the original determination being



appealed or within 30 days of receipt of the appeal from the sub-recipient, whichever is the shorter time frame.

The second and final appeals must follow the same guidelines outlined in 1) for the appeal package and must include the same timeframes.

#### **15.4. Risk Assessment**

Once a sub-recipient notifies DHSEM of a funding request, a risk assessment will be completed on the potential sub-recipient to be identified as an eligible DHSEM recipient to receive federal funding. The sub-grant analyst will contact the GMB to see if a risk assessment has been completed and validate the sub-recipient has an active UEI. The sub-grant analyst will verify suspension and debarment status to avoid awarding suspended or debarred applicants (See DHSEM Policy and Supplemental Procedures on Suspension and Debarment GRA 417).

The GMB will conduct annual risk assessments of established sub-recipients by March 31<sup>st</sup> of each year. The Grant Analyst will maintain copies in the appropriate sub-grant folder. Additional details regarding the sub-recipient risk assessment are located in the Hazard Mitigation Sub-Recipient Risk Assessment Standard Operating Procedures (SOP).

#### **15.5. Sub-Grant Closeout**

The sub-recipient must notify DHSEM when the project is complete and ready for final inspection, close-out, and audit. The Mitigation Specialist and Sub-Grant Analyst will coordinate the closeout and required materials with the sub-recipient.

In keeping with program regulations in 2 CFR 200.344 (d), funds not disbursed by the recipient within the approved FEMA performance period will be de-obligated and returned to FEMA.

In accordance with 2 CFR 200.329 and 200.334, the sub-recipient is required to keep complete records of all work, i.e., receipts, checks, job orders, contracts, equipment usage documentation, and payroll information. These records must be retained for three years from the grant close-out date or after any litigation claim, negotiation audit, or other action has been resolved, whichever is later. During this three-year period, all project documentation is subject to random audits.

The final audit of accounting and reporting documents will take place after the project is completed. If there is a state share, the sub-recipient is required to retain records for at least three years.

DHSEM will close out the sub-grants in accordance with the Mitigation SOG Section 11.

DHSEM is committed to providing federal entities access to records as requested per 2 CFR 200.337.

#### ***Equipment***

Subject to the obligations and conditions set forth in 2 CFR 200.313, title to equipment acquired under a grant or sub-grant will vest upon acquisition in the recipient or sub-recipient, respectively. In accordance with 2 CFR 200.311, 200.313, and 200.313(d), DHSEM will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures.



Procedures to properly manage (including replace) equipment are being developed under DHSEM's adopted policy (Policy No. GEN 604), effective June 30, 2017. This policy will address compliance with 2 CFR 200.310. It will ensure the provision of equivalent insurance coverage for any equipment acquired with federal funds as provided in 2 CFR 200.312 and outline requirements to maintain, track, and report the status of federally owned property.

Other recipients and sub-recipients will refer to the following bullets:

- Equipment shall be used by the recipient or sub-recipient in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a federal agency.
- All equipment acquired by the state or its sub-recipients from any source and having a value greater than the State threshold of \$2,000.00 is inventoried and documented on an annual basis in accordance with the rules and regulations of the New Mexico General Services Department.
- Property records must be maintained that include a description of the property, a serial number or other identification number, the source of the property, who holds title, the acquisition date and cost of the property, the percentage of federal participation in the cost of the property, the location, use, and condition of the property, and any ultimate disposition data, including the date of disposal and sale price of the property.
- Disposition of any property obtained through federal funding of hazard mitigation grants will be made in accordance with 2 CFR 200.313 (e).

#### **15.5.1. Audit**

If the sub-recipient received \$1,000,000 or more in total funding from federal programs, they are required to provide DHSEM with a copy of their audit for the year (2 CFR 200.501).

#### **15.5.2. Overpayment**

Overpayments must be refunded and made payable to DHSEM within 30 days of DHSEM notification to the sub-recipient. Upon determination of overpayment, communication is provided to the sub-recipient via electronic or manual means based on how the sub-recipient is set up in the State's financial system. Internal accounting then sets up due-to and due-from accounts to ensure proper record-keeping and internal control.

#### **15.5.3. Capital Outlay**

If state funding is made available through a State Legislature Appropriation, such as Capital Outlay, DHSEM will serve as the pass-through entity. A DHSEM – local/tribal grant will be utilized for the Capital Outlay funding, which will serve as a portion of the non-federal match. In addition, a State/local or tribal sub-grant agreement will be utilized for the federal share and the remainder of the non-federal match. The DHSEM Capital Outlay Standard Operating Guidelines provide additional details on Capital Outlay Grants. If Capital Outlay funding is used, the records will be maintained for no less than six years.



#### 15.5.4. Records Retention

For grant administration and general management, per NMAC 1.21.2.122, the State must retain records for three years after all projects are complete and the federal disaster is formally closed out, except in certain rare circumstances described in 2 C.F.R. § 200.334 (Retention requirements for records), from the date it submits the final Federal Financial Report (SF-425) to FEMA in compliance with 2 C.F.R. § 200.334. If FEMA administratively closes the grant where no final SF-425 was submitted, FEMA uses the date the grant was administratively closed as the start date for the three-year record retention period.

### 16. STATE MANAGEMENT COSTS (SMC)

State Management Costs (SMC) are used in implementing the Hazard Mitigation Grant Program (HMGP), Hazard Mitigation Grant Program – Post Fire (HMGP-Post Fire), Pre-Disaster Mitigation (PDM), and Building Resilient Infrastructure and Communities (BRIC) in accordance with the most recent FEMA guidance.

DHSEM utilizes state Management Costs for direct costs to manage and oversee the grant. SMC will be identified and submitted to FEMA in an SMC-specific application, which could include staff or consultant time for application development, engineering/appraisal review costs, grant administration of the sub-grant, post-award project oversight, and similar expenses. Eligible payroll may be charged to State Management Costs if approved by the Cabinet Secretary. SMC may also be used for hiring additional staff to manage the HMGP process (e.g., reservists, temporary hire, temporary Hazard Mitigation Specialists, and similar) or for floodplain or flood mitigation project assistance for mitigation grant programs (e.g., temporary hire, Floodplain Mitigation Specialists and similar). Management costs may also include necessary training, travel, and grant administration materials.

If the state chooses to hire a contractor to assist with application development, project oversight, plan review, or management of the Mitigation Program, all applicable federal and state procurement regulations will be followed, and documentation will be retained. Tracking, invoicing, and backup will also be maintained for the records.

Advanced Assistance can be used to cover the costs of developing applications for HMGP funding. The 75/25 cost share would apply, and the amount utilized for Advanced Assistance would be included in the HMGP ceiling for any specific disaster.

The state will not formally request that FEMA delegate responsibilities for additional administrative duties. New Mexico will not participate in the Program Administration by States (PAS) option.

For major disaster declarations between November 13, 2007, and the implementation of the DRRRA, the HMGP State Management Cost rate was 4.89% of the projected total grant award. With PDM 14, the state requested our first award of SMC from non-disaster grants. SMC was also awarded under PDM 16, 17, 18, and 19, and it has been requested as part of BRIC 2020 (pending award release from FEMA GO) and BRIC 2021. The SMC calculation under the non-disaster grants is based on the NOFO for each associated year.

Due to changes stemming from the DRRRA and beginning with 5281 HMGP-PF, the SMC rate is



now calculated as 10% of the projected total grant award. Following the implementation of the DRAA, SMC is 100% federal funds that do not require non-federal match.

Sub-recipients do not receive a share of the state management costs allocated to the state.

## 16.1. Application

The state will submit an application for State Management Costs upon notification of the amount available. The application includes a description of the tasks that will be implemented, a staffing pattern showing all staff/contractors that will implement the grant, and a cost estimate. For HMGP, the state can submit for 25% of the initial State Management Costs, 35% of the 6-month lock-in for State Management Costs, and 100% (or the amount remaining) of the 12-month lock-in for State Management Costs. Upon approval by FEMA of the revised State Management Cost approach described herein, revised State Management Cost applications will be submitted for review and approval.

For HMGP-PF, the state will submit for the full amount of State Management Costs, as is allowable.

PDM and BRIC have both required that SMC applications be submitted by the grant application deadline. The amount available is calculated at 10% of the project's total project costs for all sub-grants submitted under the grant. Should an application not be selected for further consideration or withdrawn, the state's SMC application must be revised to reflect only 10% of the awarded total project cost.

## 16.2. Reporting

The SHMO will submit quarterly performance reports to FEMA Region VI based on the NEMIS, eGrants, or FEMA GO protocol. Recipient quarterly performance reports will be filed with FEMA according to the schedule below.

- 1st federal quarter (October–December) due January 30
- 2nd federal quarter (January–March) due April 30
- 3rd federal quarter (April–June) due July 30
- 4th federal quarter (July–September) due October 30

The sub-recipients will submit quarterly reports on one form to [DHSEM.Mitigation@dhsem.nm.gov](mailto:DHSEM.Mitigation@dhsem.nm.gov) by the 15th of the month following the closing date of the quarter. Mitigation Specialists will date stamp, review, and approve each report and forward it to the Sub-Grant Analysts for review and approval. The Sub-Grant Analysts will save it to the formal file and send back the report within an approval email to the sub-recipient point of contact. They will also cc the [DHSEM.Mitigation@dhsem.nm.gov](mailto:DHSEM.Mitigation@dhsem.nm.gov) account.

All quarterly progress reports, quarterly financial reports, and related correspondence will be saved in the DHSEM Mitigation Unit SharePoint site under each respective sub-grant.

The Grants Unit will submit quarterly financial reports to FEMA Region VI based on the NEMIS, eGrants, or FEMA GO protocol. Recipient quarterly financial reports will be filed with



FEMA according to the same schedule (above).

The Sub-grant Analyst and the Financial Specialist prepare the quarterly report data. As is the current practice, if FEMA Region VI requests, the Financial Specialist or Sub-Grants Analyst will supply record-keeping details such as contracts, invoices, payroll, etc.

Per 2 CFR 200.329 and 200.334, the recipient must keep complete records of all work, i.e., receipts, checks, job orders, contracts, equipment usage documentation, and payroll information. These records must be retained for three years from the grant close-out date or after any litigation claim, negotiation audit, or other action has been resolved, whichever is later. During this three-year period, all project documentation is subject to random audits. After the project is completed, a final audit of accounting and reporting documents will occur.

### **16.2.1. Spend Plan**

The state will participate in accurately budgeting and forecasting the Spend Plan for HMGP Disasters declared after October 30, 2013. The State will identify project funding priorities, forecast funding needs for future months, and revise projections as requested by FEMA. The Spend Plan is coordinated between the SHMO and the FEMA Mitigation Program POC.

### **16.2.2. Expense Tracking**

Through December 31, 2017, payroll was tracked monthly for each full-time DHSEM employee who provided direct grant or sub-grant oversight. In addition, time spent on eligible costs not directly chargeable to a specific project that were reasonably incurred by the grantee in administering and managing an HMGP grant award was also recorded in the timesheet. The SHMO approved all timesheets for costs associated with HMGP State Management Costs. See past Mitigation Program Standard Operating Guidelines for more details on tracking timesheets.

From January 1, 2018, to July 30, 2018, payroll was tracked on a monthly basis for each full-time DHSEM employee who provided direct grant or sub-grant oversight, as was consistent with DHSEM policies and procedures. Time spent on HMGP or PDM grant-specific activities was charged to the grant-specific State Management Costs. In addition, time spent on eligible costs not directly chargeable to a specific project that are reasonably incurred by the grantee in administering and managing an HMGP grant award was also recorded in the timesheet; examples include program budgeting, program meetings, preparation for monitoring visits, and other FEMA coordination. The SHMO approved all timesheets for HMGP or PDM State Management Costs. The SHMO also approved all timesheets in the SHARE system.

As of July 1, 2018, payroll for the four full-time employees who provide direct mitigation grant or sub-grant oversight was covered closer to 50% by a different grant source (Emergency Management Performance Grant). State Management Costs for eligible payroll were charged to the grant-specific State Management Costs. As allowed by agency policy, extra hours worked and overtime may be charged to State Management Costs if approved by the Cabinet Secretary. Extra hours and overtime pay were not charged to EMPG.

Starting August 1, 2018, DHSEM implemented a new agency-wide 'Time and Effort Timesheet,' in addition to the SHARE-HCM timesheet, in accordance with DHSEM policy and procedure. Time was tracked in a standard Excel timesheet in 30-minute increments. Both



employees and supervisors signed the timesheet and submitted it to ASB for record keeping. See DHSEM policy and procedure for more details.

Starting October 1, 2018, DHSEM reported time using only the SHARE-HCM timesheet and not the Excel timesheet. Time continued to be tracked in 30-minute increments. Each employee had a standard profile based on the source of funding. Any deviation from the standard profile required a combination code to be entered to charge the correct grant or funding source. Both employees and supervisors sign the timesheet in SHARE. See DHSEM policy and procedure for more details (Policy No. FIN-114).

Starting November 1, 2018, the Mitigation Unit re-started the Excel tracking procedure while also formally entering all time within the SHARE-HCM timesheet process. Due to the lack of granularity in the data tracking within SHARE, it was determined that the Excel logs were prudent to keep on hand. Time in SHARE and in Excel continued to be tracked in 30-minute increments. Each employee had a standard profile based on the source of funding. Any deviation from the standard profile required a combination code to be entered in order to charge the correct grant or funding source. Both employee and supervisor sign the timesheet in SHARE. See DHSEM policy and procedure for more details (Policy No. FIN-114).

In addition to recording the number of hours worked per day in the SHARE system, Mitigation Program staff track their time in an Excel spreadsheet to identify the tasks and project-specific work being accomplished. If a task is related to a specific grant, that grant is identified on the Excel spreadsheet. This detailed tracking allows the SHMO to track the amount of time spent on specific projects and tasks for planning and assignment purposes. Although salary and benefits for regular work hours were being charged to EMPG, tracking for planning purposes continued to identify a specific grant when applicable.

## **17. SUB-RECIPIENT MANAGEMENT COSTS (SRMC)**

Section 324(a) of the DRRRA allows for the inclusion of sub-recipient management costs within project and planning applications, including any indirect cost, direct administrative cost, and any other administrative expense associated with a specific project under an HMA grant award.

Changes to Section 3224(a) of the DRRRA do not impact the definition of eligible management cost activities identified in the FEMA Hazard Mitigation Assistance Guidance.

Section 324(b) of the DRRRA established management cost rates under HMGP as follows:

- Recipients will be reimbursed not more than 15% of the total amount of the HMGP award, of which not more than 10% may be used by the recipient and 5% by the sub-recipient.
  - If a state and tribal government receive a presidential declaration for the same incident within the same state, both are recipients. As such, both are eligible to receive recipient management cost contributions of up to 10%.
- FEMA will provide 100% Federal funding for management costs based on actual costs incurred up to the established rates.
- FEMA will provide all management cost funding to the recipient. The recipient



- must provide the sub-recipient management cost funding for documented actual costs, up to 5% of the total amount of the HMGP award.
- All costs must be reasonable, allowable, allocable, and necessary as required by 2 CFR Part 200 Subpart E, applicable program regulations, and HMA Guidance
  - FEMA will provide additional policy on documenting and evaluating reasonableness as it relates to management costs.
  - Management cost awards must meet the uniform administrative requirements for a federal award found in 2 CFR Part 200, particularly records retention, closeout, and audit.
  - Before receiving funding for management costs under this policy, recipients' Administrative Plans must include procedures for monitoring and reporting on sub-recipient management costs.

### **17.1. Funding**

Beginning in 2021, notification of the availability of SRMC will be included in the funding announcement released by DHSEM following a presidential disaster declaration or the Notice of Funding Opportunity. Sub-recipients who choose to apply for SRMC funds will include the intention in the Notice of Interest (NOI) to initiate the application process. The NOI will include an option to decline SRMC.

Sub-recipients may only request SRMC as part of a complete application packet, with the award concurring with the award of total project funding. Sub-recipient management cost awards will be available to the recipient at the time of award based on the total non-management cost HMGP project amount. Sub-recipients will only be reimbursed for actual management costs incurred. Unvalidated costs or those deemed unreasonable will be de-obligated in accordance with the sub-grant agreement.

All contractual agreements associated with the project or SRMC award must be pre-approved by DHSEM.

### **17.2. Application**

To apply for available management costs, the sub-recipient must follow the application and submission requirements in the FEMA HMA Guidance and meet all applicable state deadlines and requirements. DHSEM will not award SRMC unless the application requests SRMC and is approved by FEMA.

If SRMC is requested, the application packet must include information on the administration of SRMC funds to include:

- Monitoring and reporting procedures
- Certification that quarterly reporting will be completed on time
- Certification that close out documentation requirements will be met

For major disaster declarations made on or after August 1, 2017, and prior to October 5, 2018, recipients and sub-recipients may apply for actual expenses of management cost activities in



instances where previous rates did not cover allowable costs incurred based on the lower rates but not up to more than 10% of the total award for recipients, or up to more than 5% for sub-recipients. This applies to awards and sub-awards covered under this policy that have been closed out or are still open under major disaster declarations prior to the issuance of this policy.

Each sub-recipient will designate an authorized agent and Point of Contact in the application who will be the primary contact on all matters relating to the project application and award management. This point of contact can commit to receiving federal funds.

Sub-recipients are responsible for submitting complete, accurate project applications to the State. SRMC will be included in a project or planning application.

### **17.3. Responsibilities**

Upon award, SRMC will be included in the overall project sub-grant agreement. The award of SRMC at 100% federal share or a notation that the sub-grantee has declined SRMC will be addressed within the sub-grant agreement. SRMC will be reported along with the project activities on all Quarterly Reports but invoiced separately to maintain proper tracking of the required non-federal match for the rest of the project.

### **17.4. Reimbursement**

The sub-recipient will reconcile management costs against the actual costs of the total award on a quarterly basis. Advance requests of funding for sub-recipient management costs are not eligible. Quarterly Reports and Invoices are required on a quarterly basis, according to the schedule on pages 39-40. Funds will not be released if Quarterly Reports are outstanding.

Requests for SRMC reimbursement will be submitted in a stand-alone standard DHSEM Invoice and not as part of the overall project request for reimbursement. This is to maintain proper tracking of the non-federal match since there is a 0% match requirement for SRMC and a minimum 25% non-federal match requirement for the awarded project.

### **17.5. Monitoring And Close-Out**

DHSEM will withhold the final 15% of the SRMC until the sub-recipient completes the last non-management SOW activity associated with the project. The sub-recipient can claim management costs incurred up to whichever of the following occurs first:

- 90 days after work is completed for the non-management cost HMGP project for the declaration or
- the POP expiration date of the sub-grant agreement.

This is referred to as the period of availability. It may be extended only at the written request of the sub-recipient with supporting justification and may not infringe on the grant close-out and liquidation period.

For sub-recipient management cost awards over \$250,000.00, DHSEM will develop an agreement with the sub-recipient that outlines the release of funding. The agreement will define sub-recipient responsibilities and the process for reviewing funding on an incremental basis.



Allowable costs associated with administering the program are authorized in accordance with 2 CFR Part 200 and any other applicable federal regulations.

## **18. GRANT ADMINISTRATION**

DHSEM will serve as a recipient for project financial management in accordance with 2 CFR Part 200 and any other applicable federal regulations. As the recipient of federal awards, DHSEM will evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of Federal awards in accordance with 2 CFR §200.303(c). Sub-recipients are accountable to the recipient for funds that have been awarded.

DHSEM will adhere to measures, as part of general administrative practices, to safeguard protected personally identifiable information (PII) and other information the federal awarding agency or pass-through entity designates as sensitive per 2 CFR 200.303(e).

The Sub-grant Analyst maintains necessary financial documentation and progress reports to support funds distributed to sub-recipient (s). The Grant Specialist maintains the official files for administering the sub-grants.

The Sub-grant Analyst tracks cost overruns, audits, and appeals and forwards documents to the SHMO for Mitigation Unit records, the Grants Manager for Grant Management Unit approval, and the grant file.

No advancement of project funds will be made on grant-based projects. Federal funds for a recipient's approved project will be disbursed on a reimbursement basis. The sub-recipient will complete the work associated with the project, request funds from DHSEM for work completed and submit all supporting documents required by DHSEM for review, approval, and verification. The subrecipient, with approval from DHSEM, can divide the project into phases for funding purposes. Although 2 CFR 200.305 (b)(8)(ii) makes allowances for interest earned on advances, it is irrelevant to DHSEM and its sub-recipients. DHSEM and its sub-recipients do not accumulate any interest on funds advanced.

The Sub-grant Analyst, or a staff member designated by the Grants Manager, prepares the quarterly report data for all sub-grants and State Management Costs. The financial auditor reviews the financial data and then remits it to the SHMO and sub-grant analyst to meet the quarterly reporting deadlines. For grants and State Management Costs, the Financial Auditor maintains record-keeping details such as contracts, invoices, payroll, etc. For the sub-grants, the Sub-grant Analyst maintains record-keeping details such as contracts, invoices, payroll, etc.

Federal Section 404 funds will be obligated by FEMA for all approved projects and supplements. The SHMO, and when applicable, in coordination with the Grants Manager, will submit required documentation through the GAR to the FEMA Regional Administrator in order to receive federal funding. Documentation may also be submitted to the FEMA Region VI identified Point of Contact. The Grants Management Unit will coordinate with the Financial Services Unit to ensure proper coding of these funds into the disaster-specific HMGP budget string at DHSEM. DHSEM does not request any cash advances for grants covered under HMA. The agency will draw funds against applicable and eligible expenditures via Smartlink or any designated federal systems on a regular basis. Because the state does not advance HMGP funds, no interest is earned and/or



tracked. The approved projects under the state's grant will be the basis for a sub-grant by the state to the applying entity. All approved projects will be subject to the cost-sharing provisions (75% federal share / 25% local share) established by the Hazard Mitigation Assistance cost-share guide. The state reimburses up to 75% of eligible and qualified project expenditures to sub-recipients. The project will track Federal and non-federal funds for reconciliation against disaster-specific HMGP budget string in accordance with 2 CFR 200.302.

Matching funds for state and local governments share will not be obtained from other federal programs unless applicable federal laws specifically authorize such usage. A certification signed by the applicants' CFO must be received with the Notice of Interest verifying availability on the non-federal match.

In determining and documenting the fair market value of property, volunteer services, and third-party donations, DHSEM will adhere to 2 CFR 200.307 as well as references to comparable values of similar goods and services obtained by sub-recipients and/or SAA.

DHSEM will expend and account for grant funds in accordance with state laws and procedures for expending and accounting for its own funds. See 13-1-1 through 13-1-199 NM State Annotated 1978: <https://www.srca.nm.gov/parts/title01/01.004.0001.html>

DHSEM will adhere to the following fiscal control and accounting procedures:

- 1) Provide accurate, current, and complete disclosure of the financial transactions made by the sub-recipient in relation to the grant.
- 2) Track the cost share requirements through the quarterly reports submitted by the sub-recipient on the four established dates – January 15, April 15, July 15, and October 15— and, in addition, through the state grants management system.
- 3) All DHSEM financial records will adequately identify the source and application of funds provided to sub-recipients and, in addition, contain information pertaining to grant or

sub-grant awards and authorizations, obligated and unobligated balances, assets, liabilities, outlays, or expenditures.

- 4) DHSEM will ensure adequate safeguards are instituted to effectively control and establish accountability for all grant and sub-grant cash, real and personal property, and other assets and ensure they are used solely for authorized purposes.
- 5) Actual expenditures or outlays will be compared with budgeted amounts for each grant or sub-grant. All other requirements of the grant or sub-grant as related to unit cost information will be adhered to.

DHSEM and sub-recipients will follow applicable CFR cost principles, agency program regulations, and grant/sub-grant agreements to determine if all associated costs are reasonable and allowable. (2 CFR §200.306(b))

- 1) Applicable accounting records will be substantiated by adequate source documents



such as proof of payments, canceled checks, paid bills, payrolls, and time and attendance records.

- 2) DHSEM will review the adequacy of any applicant's financial management system as part of a pre-award review or at any time subsequent to the award.

Allocable costs: (OMB Guidance 200.405) A cost is allocable to a particular federal award or other cost objective if the goods or services involved are chargeable or assignable in accordance with relative benefits received. This standard is met if the cost:

- 1) Is incurred specifically for the federal award;
- 2) Benefits both the federal award and other work of the non-federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
- 3) It is necessary for the overall operation of the non-federal entity.

Note: Planning training is an allocable cost only if incurred for a Hazard Mitigation Plan. BCA, EHP, or other training are not eligible costs.

### ***Program Income***

To handle and monitor program income generated by sub-recipients, DHSEM will adhere to 2 CFR 200.307, specifically 2 CFR 200.307(e)(1), if the Federal Agency does not specify in its regulations or terms and conditions of the federal award or give prior approval of how program income is to be used. If applicable, ordinary program income must be deducted from total allowable costs to determine the net allowable costs.

## **19. PROCUREMENT**

Recipients and sub-recipients use their own procurement procedures, which reflect applicable state and local laws and regulations, provided that the procurements conform to applicable federal laws and standards. For reference to State of New Mexico Procurement Regulations, the link is: <https://www.srca.nm.gov/parts/title01/01.004.0001.html>

DHSEM commits to reviewing all legally binding agreements issued by the sub-recipient to complete sub-grant-related tasks prior to release or execution. DHSEM Mitigation Unit will complete a procurement review checklist for all legally binding agreements, including RFPs and contracts.

Procurement standards will comply with 2 CFR 200.317-327, as well as the State of New Mexico Procurement Code which specifically includes:

- 1) When procuring property and services under a grant, the State of New Mexico agencies will follow the same policies and procedures used for procurements from its non-federal funds. The state will ensure that every purchase order or other contract includes any clauses required by federal statutes and executive orders and their implementing regulations.
- 2) DSHEM will ensure, in accordance with 2 CFR 200.319-320, that open and fair competition for procurement is supported by processes of periodic internal review and monitoring, including the activities related to sub-recipients procedures using



- one of the methods, including micro-purchases, small purchases procurement, invitation of bids, and requests for competitive proposals.
- 3) DHSEM will adhere to take all necessary affirmative actions as described in 2 CFR 200.321 to ensure that minority businesses, women's business enterprises, and labor surplus firms are used when possible.
  - 4) DHSEM will perform cost or price analysis in connection with contract procurement, as applicable, in accordance with 2 CFR 200.324. This will include, when possible, making independent estimates before receiving bids or proposals.

## 20. REIMBURSEMENT

Requests for funds in accordance with 2 CFR 200.305(b):

- 1) Requests for reimbursement must be submitted in writing to the Sub-grant Analyst with supporting documentation to [DHSEM.Mitigation@dhsem.nm.us](mailto:DHSEM.Mitigation@dhsem.nm.us).
- 2) The Sub-grant Analyst reviews the invoice for completeness and correctness before submitting to the Mitigation Unit POC (SHMO or Mitigation Specialist) for a programmatic review.
- 3) The Mitigation Unit POC reviews the request and supporting documentation. If all programmatic requirements are met, the Mitigation Unit POC approves the request for reimbursement or "Invoice" and returns it to the Sub-grant Analyst for further processing and approval by the Grants Manager.
- 4) Sub-grant Analyst reviews certification of costs, including match and processes the reimbursement.
- 5) If the request for funds is questioned, the Grant Specialist will notify the applicant in writing that additional documentation or performance is required to support the request.
- 6) The DHSEM Grants Specialist reviews the "Invoice" for fiscal accountability, prepares documentation for signature, and submission to the DHSEM Financial Services Unit to remit to the New Mexico State Department of Finance and Administration (DFA) for disbursement. DFA processes the reimbursement request, completing a direct deposit or sending a check to DHSEM for delivery to the sub-recipient.
- 7) 15% of the federal funds are held until project completion and will be payable upon close-out. A statement to this effect is included in the sub-grant agreement.
- 8) Final reimbursement will be made based upon DHSEM approval of completion, based on the wording of the special condition in the sub-grant agreement. For a mitigation plan, final reimbursement will be made after receipt of the FEMA approval letter. For a construction project, final reimbursement will be made after inspection, as-built approval, maintenance plan approval, and proof of compliance with all environmental conditions.



## 20.1. Grant Drawdowns

Policy in accordance with DHSEM GRA 415. Authority and References: 2 CFR 200, OMB Circular A-102, and OMB Circular A-133.

DHSEM staff will prepare, seek approval, submit, and deposit grant drawdown requests in accordance with the procedures outlined in GRA 415. These procedures are in compliance with minimizing time elapsed between the transfer of funds from the US Treasury.

- 1) The Grants Management Unit (GMU) Accountant/ Auditor (staff member assigned to manage and administer the particular daily requirements of this policy) will initiate the process under the direction of the GMU Manager. The GMU Accountant/Auditor will identify the anticipated draw amount for the respective grant and seek written verification from the assigned Grant Analysts that all supporting documentation for the anticipated draw has been assembled, is accurate, organized, and supports the anticipated draw amount. Once this verification is received from the Grant Analyst, the GMU Accountant/ Auditor will prepare and review the anticipated draw with the GMU Manager. Once reviewed and approved by the GMU Manager, the GMU Manager or designee will notify the Budget Director (Financial Services Unit Manager or designee) of the anticipated draw and seek approval from the ASB Chief (the Administrative Services Bureau Chief of DHSEM who directly supervises the managers of the Grants Management, General Services, Financial Services, and Information Technology (IT) Units of the department) to proceed with the submission of the draw to FEMA and/or other applicable agencies. Once FEMA and/or other applicable agencies approve the draw and the funds have been received by DHSEM, the Budget Director will process the receipt of funds in accordance with the approved revenue deposit form. The ASB Chief will provide the Secretary and Deputy Secretary with a summary draw report each month.
- 2) DHSEM staff will also follow the specific processes and guidelines identified in the DHSEM Administrative Procedures Handbook under the caption "Grant Drawdowns". The GMU Manager will review, revise, and submit the department's grant drawdown processes and guidelines for approval by May 31st and November 30th of each year.
- 3) Preparation: The GMU Accountant/ Auditor will gather updated, accurate data necessary to document and justify the preparation of draw requests for grant funds to applicable agencies. The GMU Accountant/Auditor will then prepare draw request pack for review and approval by the GMU Manager.
- 4) Approval: The GMU Manager will review and approve the draw request packet. Upon the GMU Manager's approval, the packet is forwarded to the ASB Chief for approval to proceed with the submission of the draw to applicable agencies.
- 5) Submission: Upon approval, as stated above, the GMU Accountant/Auditor will submit the draw request to applicable agencies, ensure proper recording in grant files, and disseminate applicable information to the Budget Director for the receipt of funds process.



- 6) Deposits: Upon approval of the draw request from FEMA and/or applicable agencies, the Budget Director will process the receipt of funds in accordance with the approved revenue deposit procedures and form.

## 20.2. Budget Modifications

The SHMO reviews all requests for budget and scope of work modification, including cost overruns. Overruns will be considered at the discretion of the GAR based on available funds within the disaster. If supported by the state, the SHMO will submit an amendment request to FEMA. Sub-recipient will submit a request to the state and all requests must contain sufficient documentation to support the eligibility of all claimed work and costs. FEMA will notify the state in writing of the final determination. A denial of additional funding is subject to appeal. In no case is either FEMA or the state liable for any obligation beyond that which has been agreed to in the sub-grant agreement, as amended.

## 21. GRANT MONITORING

The SHMO will monitor and evaluate the grant's progress by reviewing the sub-grant statuses via quarterly reporting, site visits, in-person meetings, telephone or video calls, email, and postal mail. A mitigation unit POC will visit construction and land disturbance projects at least twice during either a kickoff, 50%, or 100% construction inspection or at the request of the sub-grantee. The Mitigation Unit POC may visit the project site to perform an interim inspection at any time.

The Grants Management Bureau shall submit financial reports to the FEMA regional office 30 days after the end of the first federal quarter following the initial grant award. The recipient shall submit quarterly financial reports thereafter until the grant ends. Quarterly financial reports are to be filed on the following schedule:

- 1st federal quarter (October–December) due January 30
- 2nd federal quarter (January–March) due April 30
- 3rd federal quarter (April–June) due July 30
- 4th federal quarter (July–September) due October 30

The SHMO will submit quarterly performance reports to FEMA Region VI based on the NEMIS, eGrants, or FEMA GO protocol. These reports document the early identification of projects that may need special attention and expertise by comparing completion dates with the percentage of the project that has been completed. Recipient quarterly performance reports will be filed with FEMA according to the schedule (above). As part of the state's mandatory quarterly reporting requirements, the SHMO includes comments regarding special circumstances or notations about the progress of the project or plan, including State Management Cost (SMC).

The state may choose to hire a contractor to assist with managing the Mitigation Program. All federal and state procurement regulations will be followed. Tracking, invoicing, and backup will be maintained for the records.

Per 2 CFR 200.329 and 200.334, the recipient must keep complete records of all work, i.e., receipts, checks, job orders, contracts, equipment usage documentation, and payroll information.



These records must be retained for three years from the grant close-out date or after any litigation claim, negotiation audit, or other action has been resolved, whichever is later. During this three-year period, all project documentation is subject to random audits. After the project is completed, a final audit of accounting and reporting documents will occur. If there is a state share, the recipient is required to retain records for at least six years.

### **21.1. Grant Extension Requests**

Should an extension of the grant period of performance be warranted due to a delay in the completion of the scope of work associated with one or more of the sub-grants, the Mitigation Unit will notify the Grants Manager and submit a state support letter justifying the extension request. The letter will include a programmatic and financial status report and an attachment detailing the following for each sub-award:

- 1) Verification that progress has been made as described in quarterly reports
- 2) Reason(s) for delay
- 3) Current status of the activity/activities
- 4) Current period of performance termination date and new projected completion date
- 5) Remaining available funds, both Federal and non-Federal
- 6) Budget outlining how remaining Federal and non-Federal funds will be expended
- 7) Plan for completion, including updated schedule

### **21.2. Financial Monitoring**

All requests for funds will be tracked and monitored using fund accounting, which documents the specific source of funding, i.e., by disaster declaration number as well as by grant funding program. Sub-recipients in each disaster and grant program will also document all funds attributable to a specific grant program. Therefore, a sub-recipient may receive grant funding for several disasters and/or programs. Accounting processes will identify all sub-recipients to a specific disaster or grant program and all funds disbursed by the sub-recipient, regardless of the program source.

Pursuant to 2 CFR 200.329, DHSEM has established reasonable procedures to ensure the receipt of reports on sub-recipients cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transaction reports to the awarding agency.

On a monthly basis, DHSEM reconciles the internal records maintained for each sub-grant. Expenditures are posted by journal date from the HMGP SHARE budget string report furnished by the New Mexico Department of Finance and Administration (DFA). The expenditures and draws should be equal at the end of each month. In addition:

- 1) At the end of each quarter, all draws are uploaded to the Payment Management System (PMS) and then are compared to the draws recorded in DHSEM internal worksheets to verify accuracy;
- 2) Cumulative expenditures from the HMGP SHARE budget string by journal date report for each individual grant are recorded on the HHS SF425 Federal Financial Report; PARS;



- 3) Each grant has a reporting entry if the grant has a balance still to be drawn or has had activity during the quarter;
- 4) Totals are verified to ensure that the expenditures are equal to the revenue from draws for the quarter; if not, any discrepancies are reconciled;
- 5) The SF425 FFRs are submitted to FEMA Region VI within 30 days of the quarter's end.

Systems reconciliation (2 CFR 200.302 and 200.329):

- 1) The New Mexico DFA and DHSEM work together to expend and account for grant funds in accordance with state laws and procedures for expending and accounting for their own funds.
- 2) Fiscal control and accounting procedures of the state, as well as its sub-recipients and cost-type contractors, must be sufficient to:
  - a. Permit preparation of reports required by federal regulation and the statutes authorizing each grant;
  - b. Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes to include State Management Costs;
  - c. Provide accurate, current, and complete disclosure of the financial results of financially assisted activities, which would include expenditures against State Management Costs, made in accordance with the financial reporting requirements of the grant or sub-grant.

DHSEM performs a monthly record reconciliation once DFA closes the accounting period to ensure that the recipient (DHSEM) is accurately accountable for expenses and draws.

### ***Indirect Cost Rates***

DHSEM currently does not use indirect cost rates. In the event that indirect cost rates are considered, DHSEM will adhere to requirements per 2 CFR 200.334(f).

### ***Records***

The recipient and the sub-recipients must maintain records that adequately identify the source.

The recipient and sub-recipients will maintain records reflecting the administration and management of federal grant programs for a period consistent with state and local records retention policies but shall also be in conformance with policies mandated by federal regulations governing each specific grant program. For Hazard Mitigation grants, such guidance is found in 2 CFR 200.334, 2 CFR § 200.335, 2 CFR § 200.336, and 2 CFR § 200.337. The state policies that mandate records retention greater than that required by federal regulation will be implemented, and the records retention period would be the greater of the two.

### ***Real Property and Equipment***

The State will ensure that records pertaining to real property and equipment are maintained, including requirements for insurance for equipment purchased with federal funds, during the



performance period and at the close of the grant in accordance with 2 CFR 200.311, 2 CFR 200.313, and 2 CFR 200.344.

Equipment purchased with grant funds shall be accounted for at the time sub-recipient physical monitoring is conducted or records of equipment placement are available. The information gathered shall follow the State's monitoring protocol. In addition, the State will have the right of first refusal for any equipment no longer needed or being used for the intent that it was purchased by the applicant.

In accordance with 2 CFR 200.312, DHSEM will ensure that inventory listing of federally owned property in its custody to the federal awarding agency. Inventory tracking and maintenance is part of DHSEM internal control procedures, and continuous improvements are taking place with applicable technology and the development of processes. In addition, and as applicable, DHSEM will comply with 2 CFR 200.330 to submit annual reports on real property.

DHSEM, in accordance with 2 CFR 200.313(d), periodically reviews inventory to assess management, including physical inspections, potential disposition, maintenance and replacement requirements, and applicable asset management cycles.

### **21.3. Audits**

All financial, accounting, and audit procedures will conform to 2 CFR 215, 2 CFR 225, 2 CFR 220, 2 CFR 230, and A-133.

Final inspections and reviews of all projects will be performed in accordance with 2 CFR 200.332 and approved by the SHMO.

In accordance with OMB Circular A-133 (Single Audit Act of 1996), applicants with federal expenditures in excess of \$1,000,000 within their own fiscal year will be required to have an audit completed by an independent outside auditor. This audit must be submitted to the State within 30 days after completion but not later than 6 months from their fiscal year-end. The DHSEM has established a protocol related to reviewing the Single Audit requirements, including federal clearing house cursory review of audit submissions, review of audit findings for Sub-recipients, and formal correspondence to the Sub-recipient to correct deficiencies.

The procedure for ensuring compliance with uniform audit requirements is established and documented within the DHSEM monitoring protocol in accordance with 2 CFR 200.332.

FEMA may conduct a federal monitoring visit on the disaster assistance grant or any Sub-grants.

### **21.4. De-Obligation**

If it is discovered that federal funds have not been used per federal financial regulations, they will be recovered from the Sub-recipient as soon as practicable, and funds will be deposited back into the appropriate accounting operating code. Subsequently, a formal reimbursement check will be returned to FEMA. Upon close-out of the grant, any remaining excess funds will be de-obligated at the request of the SHMO. (2 CFR 200.303(b)(3) and 200.305).



## 22. GRANT CLOSE OUT

### 22.1. Sub-Grant Close-Out Procedure

Using the Programmatic Close-Out Checklist, the Mitigation Unit POC will verify that the sub-grantee has completed and submitted all required programmatic close-out documents. The Mitigation Unit POC will assemble these documents and submit them to the Sub-grant Analyst. The sub-grant analyst will provide technical assistance to the sub-grantee with the final invoice. Once the final invoice has been submitted for review, the Sub-grant Analyst then prepares a combined Certificate of Completion and Grant Adjustment Notice (GAN). The Grant Adjustment Notice identifies the amount of de-obligation of any remaining federal, state, and/or local funds. The Sub-grant Analyst will email the GAN to the Grants Manager and copy the Mitigation Unit. The SHMO will review the GAN and submit the notice of approval to send to the Sub-grant analyst. The Administrative Services Department Grants Unit Manager will determine the final GAN approval.

Once approved, the GAN is emailed to the sub-recipient for signature and returned to the sub-grant Analyst. The Sub-grant analyst will obtain the GAR signature on the GAN.

The Sub-grant Analyst and the Financial Unit Specialist conduct an internal reconciliation and submit it to the Grants Manager for review and approval. The close-out packet is then submitted to and reviewed by the SHMO. Once approved by the SHMO, the packet is provided to the Grants Management Unit Auditor for review, as outlined in the Uniform Grants Management Standards requirements.

The Sub-grant Analyst will request the GAR signature on the FEMA close-out request cover letter and submit the Project Completion Certificate and Grant Adjustment Notice with the cover letter to the Regional Administrator or FEMA Region VI identified Point of Contact along with any additional documentation required. If de-obligation is needed, the cover letter will request the specific amount to be de-obligated.

Supporting documentation may include the FEMA Approval Letter for a mitigation plan, final quarterly performance report, final financial report, photographs of construction location, as-built drawings, sample outreach/education document, reimbursement proof, contracts, etc. Upon approval of the project or plan close-out, FEMA sends DHSEM a close-out letter. The sub-grant Analyst sends a copy of the FEMA close-out letter to the sub-recipient.

### 22.2. Grant Close-Out Procedure

Upon closing the last project in a disaster funding stream, the Grants and Financial Units conduct an internal reconciliation, including State Management Costs, as outlined in the Uniform Grants Management Standards requirements. The Sub-Grant Analyst will submit the packet to the SHMO for review and approval. The Sub-grant Analyst will include a request to de-obligate any remaining project or SRMC funds in the closeout package that is submitted to FEMA for closeout concurrence. This de-obligation amount will be confirmed with the sub-recipient through a Grant Adjustment Notice (GAN) that will be included in the closeout package.

Any unused State Management Costs will be reconciled by the Sub-Grant Analyst who tracks SMC when necessary, in accordance with 2 CFR § 200.346.



DHSEM will adhere to the submission of financial and programmatic closeout within 120 days after the end of the grant period of performance and for all financial, performance, and other reports, including Final SF425 reports per 2 CFR § 200.344(a). Upon approval of the grant close-out, FEMA shall forward a close-out letter to the SHMO and the Grants Management Bureau Manager. The closeout of a grant does not affect:

- 1) FEMA's right to disallow costs and recover funds on the basis of a later audit or monitoring.
- 2) The recipient's obligation to return any funds due because of later refunds, corrections, or other transactions. Refunds of excess federal funds to FEMA will be processed through a check made payable to FEMA. Over-payment will be mailed to FEMA Regional Administrator.

DHSEM will measure performance and report related financial data of performance accomplishments of the Federal award to the Federal awarding agency and other non-federal entities to improve program outcomes, share lessons learned, and spread the adoption of promising practices. The Federal awarding agency will determine how performance progress is measured, which may differ by program. The Federal awarding agency should provide recipients with clear performance goals, indicators, targets, and baseline data. Performance reporting frequency and content will be established to not only allow the Federal awarding agency to understand the recipient's progress but also to facilitate the identification of promising practices among recipients and build the evidence upon which the Federal awarding agency's program and performance decisions are made per 2 CFR § 200.301.

### **23. ADMIN PLAN DEVELOPMENT AND MAINTENANCE**

All updates and/or amendments to this Plan will be prepared by the SHMO and submitted through the GAR/State Director to the FEMA Regional Administrator for approval. As Attachments are updated, the SHMO will notify the Mitigation Branch Point of Contact. Approved versions of this plan will be considered for inclusion in subsequent New Mexico Emergency Operation Plan updates.

### **24. RESOURCES**

HMA Guidance

*Robert T. Stafford Disaster Relief and Emergency Assistance Act, P.L. 93-288*, as amended, <https://www.fema.gov/robert-t-stafford-disaster-relief-and-emergency-assistance-act-public-law-93-288-amended>.

*Code of Federal Regulations (CFR) 44, Emergency Management and Assistance*, National Archives and Records Administration, latest edition, [http://www.ecfr.gov/cgi-bin/textidx?tpl=/ecfrbrowse/Title44/44tab\\_02.tpl](http://www.ecfr.gov/cgi-bin/textidx?tpl=/ecfrbrowse/Title44/44tab_02.tpl).

FEMA Roadmap to Procurement Compliance [Roadmap to Procurement Compliance - Procurement Disaster Assistance Team \(PDAT\) \(fema.gov\)](#)

FEMA Procurement Disaster Assistance Team Manual [Procurement Disaster Assistance Team \(PDAT\) Field Manual - Procurement Information for FEMA Award Recipients and Subrecipients - October 2021](#)





State of New Mexico  
**DEPARTMENT OF HOMELAND SECURITY &  
 EMERGENCY MANAGEMENT**

P.O. Box 27111  
 Santa Fe, NM 87502

**SUB-RECIPIENT GRANT AGREEMENT  
 HAZARD MITIGATION ASSISTANCE GRANTS**  
 CFDA << \_\_\_\_ >> : <<HMA Program Name>>

<b>1. SUB-GRANT NO.</b>		<b>2. SUB-RECIPIENT NAME</b>		<b>3. PROJECT NAME</b>	
<<sub-grant no.>>		<<sub-recipient>>		<<project name>>	
<b>4. STATE DFA VENDOR NUMBER</b>		<b>5. EIN NUMBER</b>	<b>6. SAM UEI NUMBER</b>	<b>7. CAGE CODE</b>	
<<DFA #>>		<<EIN>>	<<UEI>>	<<CAGE>>	
<b>8. SUB-RECIPIENT PHYSICAL ADDRESS</b>			<b>9. SUB-RECIPIENT REMIT ADDRESS</b>		
<<address>>			<<address>>		
<b>10. DHSEM CONTACT NAME:</b>		<b>11. CONTACT DESK PHONE:</b>		<<phone>>	
<<sub-grant analyst name>>		CONTACT EMAIL ADDRESS:		DHSEM.mitigation@dhsem.nm.gov cc: «email»	
<b>12a. PERFORMANCE PERIOD START DATE</b>		<<date>>	<b>12b. PERFORMANCE PERIOD END DATE</b>		<<date>>
<b>13. TOTAL AWARD AMOUNT:</b>		<<AWARD>>			
<b>13a. FEDERAL SHARE</b>		<b>13b. LOCAL SHARE</b>		<b>13c. STATE SHARE</b>	
«fed_amt»		«local_amt»		«state_amt»	
<b>14a. NAME OF PROJECT AWARD</b>			<b>14b. FEDERAL SHARE</b>		<b>14c. NON-FEDERAL SHARE</b>
1			\$		\$
2			\$		\$
3			\$		\$
4			\$		\$
5			\$		\$
6			\$		\$
<b>TOTAL AMOUNT OF PROJECT</b>			\$		\$

**WHEREAS** The State of New Mexico will serve as the “pass-through entity” with respect to the State’s role in providing sub-awards and administering grant assistance provided to sub-recipients and may, subject to a Memorandum of Agreement, directly support project development and administration.

**WHEREAS** funding has been obligated from the Federal Emergency Management Agency pursuant to a request by the applicant, The Sub-Recipient, <<sub-recipient>>.

**NOW, THEREFORE**, it is mutually understood and agreed between the recipient NMDHSEM, and <<sub-recipient>>, hereinafter referred to as “sub-recipient,” as follows:

## **ARTICLE 1: REQUIREMENTS AND ASSURANCES**

- A.** The sub-recipient hereby agrees that the performance period for the grant identified on Page 1, Box 1. is consistent with the performance period identified on Page 1, Box 12a. and 12b. This Sub-recipient Grant Agreement, as amended, shall remain open for administrative purposes if necessary to achieve final payment and financial reconciliation.
- B.** The sub-recipient hereby agrees that the sub-recipient official signing this Sub-recipient Grant Agreement certifies that all financial expenditures, including all supporting documents submitted for reimbursement, have been incurred by the sub-recipient and are eligible and allowable expenditures consistent with the guidelines for this award. The sub-recipient agrees to follow reasonable professional standards in all financial management and bookkeeping procedures necessary to carry out this agreement.
- C.** The sub-recipient hereby agrees that no member, officer, or employee of the sub-recipient organization, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his or her tenure or for one year after that, shall have any interest, direct or indirect, in any contract or subcontract, or the process thereof, for work to be performed in connection with this Sub-recipient Grant Agreement; the sub-recipient shall incorporate in all such contracts a provision prohibiting such interest pursuant to the purposes of this Sub-recipient Grant Agreement.
- D.** The sub-recipient hereby agrees that it understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification, or adoption of any law, regulation, or policy, at any level of government, without the express written approval of the State of New Mexico or FEMA.
- E.** The sub-recipient hereby agrees that FEMA reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and authorize others to use, for federal government purposes: (1) the copyright in any work developed under this Sub-recipient Grant Agreement; and (2) any rights of copyright to which the sub-recipient purchases ownership with federal support. The sub-recipient agrees to consult with FEMA through NMDHSEM regarding allocating any patent rights that arise from or are purchased with this funding.
- F.** The sub-recipient hereby agrees that signatures of the sub-recipient officials on this Sub-recipient Grant Agreement attest to the sub-recipient’s understanding, acceptance, and compliance with Lobbying, Debarment, Suspension, and Other Responsibility Matters; Drug- free Workplace; Conflict of Interest, and Non-Supplanting certifications. Federal funds will not be used to supplant state or local funds. Federal funds will be used to supplement existing sub-recipient funding to augment program activities and not replace those funds which have been appropriated in the budget for the

same purpose.

- G. The sub-recipient hereby agrees that their accounting system allows for the separation of fund sources. Funding provided under this Sub-recipient Grant Agreement cannot be commingled with funds from other federal, state, or local agencies, and each project must be accounted for separately.
- H. The sub-recipient hereby agrees that it shall comply with applicable Federal Civil Rights Laws and Regulations: Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, Age Discrimination Act of 1975, and Americans with Disabilities Act of 1991. The sub-recipient will take reasonable steps to ensure Limited English Proficient (LEP) persons have meaningful access to its programs and activities. Executive Order 13379 Individuals with Disabilities in Emergency Preparedness, requires the government to support safety and security for individuals with disabilities in situations involving disasters, including earthquakes, tornadoes, fires, floods, hurricanes, and acts of terrorism.
- I. The sub-recipient hereby certifies that for its employees, it has an Affirmative Action Plan/Equal Employment Opportunity Plan (EEO) if not exempted by the Federal Government or New Mexico rule or statute. An EEO is not required for sub-recipients of less than \$25,000 or fewer than 50 employees.
- J. The sub-recipient hereby certifies that its employees are eligible to work in the United States as verified by Form I-9, Immigration & Naturalization Service Employment Eligibility.
- K. The sub-recipient hereby agrees that it is the responsibility of the sub-recipient to fully understand and comply with the requirements of the following, where such requirements apply to the sub-recipient set forth in:
  - 1. 2 C.F.R. § 200: Code of Federal Regulations
  - 2. 44 C.F.R. parts 7, 9, 10, 13, 14, 17, 18, 25, 206, 220, 221, 44 C.F.R. Part 209, 2 C.F.R. Part 200 and any other applicable FEMA policy memoranda and guidance documents
  - 3. FEMA Hazard Mitigation Assistance Program and Policy Guide
  - 4. New Mexico State Procurement Code  
New Mexico Administrative Code Title 2 – Public Finance <https://www.srca.nm.gov/nmac-home/nmac-titles/title-2-public-finance/>

## ARTICLE 2: REIMBURSEMENT OF FUNDS

The NMDHSEM will apply the following procedures for making payments to sub-recipients:

- A. **Payment of Funds, General:** Once FEMA has obligated funds and NMDHSEM has budgeted and encumbered those funds, the Cabinet Secretary is authorized to advance funds, as permissible, and to consider requests for payments for progress and completion based on proper review and approvals, in accordance with the sub-grant agreement or amendment as described below. Review and audit of expending and accounting of federal awards and state funds will be conducted to ensure records, reports, and documentation for compliance and tracing of funds are accounted for; 2 C.F.R. §§ 200.302(b)(6), 200.305(a). The State Department of Finance and Administration (DFA) may require additional supporting data and documents prior to disbursement of funds.
- B. Reimbursement shall be based upon authorized and allowable expenditures consistent with the project narrative, grant guidelines, and timely submission of Financial and Performance Progress Reports. Reimbursement of expenditures shall be requested quarterly or monthly if need be for

expenditures within the performance period. A minimum of 25% (of the total project cost) in the non-federal match must be included on each request for reimbursement. All expenditures must be supported with source documentation (e.g., copies of proof of payment, invoices, receipts, timesheets with name/rate/hours and certified, breakdown of expenditures based on FEMA approved budget, warrants, a brief description of work done, required deliverables, etc.). Request for reimbursement will not be processed if quarterly financial or performance reports are delinquent. The final payment of 15% will not be made until DHSEM verifies that all activities are complete. All payments shall be made on an actual cost reimbursement basis.

- C. **Contracts:** All requests for proposals/bids, sole-source procurements, single vendor responses to a competitive bid, and contracts require DHSEM pre-approval prior to implementation. The relevant contract must accompany requests for reimbursement for contractual services.
  
- D. **Local Match:** Local matching funds must clearly support the source, the amount, and the timing of all matching contributions. When requesting reimbursement, the match percentage must be shown on each invoice. Copies of proof of payment, invoices, receipts, purchase orders, timesheets with name/wage/hours, cost allocation, general ledger, warrants, etc., must be submitted as a backup for the match.
  
- E. **Non-reimbursable Expenses:**
  - Transfer of funds between any programs. Contracts, single vendor response to a competitive bid, sole source contracts, and any procurement documentation not pre-approved by DHSEM.
  - Training and related travel costs not pre-approved by DHSEM.
  - Supplanting (using federal funds to purchase items previously budgeted for with state or local funds).
  - Maintenance and/or wear and tear costs of general use vehicles and emergency response apparatus.
  - Equipment purchased for an exercise cannot be used for permanent installation and/or beyond the scope of an exercise.
  - Weapons and ammunition.
  - Entertainment and sporting events
  - Personal items such as laundry, personal hygiene items, magazines, in-room movies, personal travel, and personal phone calls.
  - Travel insurance, visa, and passport charges.
  - Lodging costs in excess of State per diem, as appropriate.
  - Lunch when travel is wholly within a single day.
  - Standalone working meals.
  - Bar charges, alcoholic beverages.
  - Finance, late fees, or interest charges.
  - Lobbying, political contributions, and legislative liaison activities.
  - Organized fundraising, including salaries of persons while engaged in these activities.
  - Expenditures not supported with appropriate documentation when submitted for reimbursement. Only properly documented expenditures will be processed for payment. Unsupported expenditures will be returned to the jurisdiction for resubmission.
  
- F. **Payment Conditions.** The sub-recipient must certify that in requesting and accepting a sub-grant payment, they have spent those funds on eligible expenditures; that the work performed was within the scope of work allowed for specific projects; and that all records pertinent to specific projects will be retained for at least the periods required under record retention regulation requirements from the closeout of the last project. The period of record retention for grant and financial data is three years

if state funds are paid.

**G. Delays and Denial of Payment.** Reasons for delays in FEMA processing of payment requests include, but are not limited to, the following:

- Vendor identification number is missing or incorrect;
- Disaster and project number is missing;
- Period of performance (POP) listed is incorrect;
- Service delivery dates do not agree with invoices or outside of contract period;
- Dollar amount on forms do not agree;
- Mathematical errors;
- Full address of sub-grantee is not included;
- Sub-recipient did not provide required back-up documentation; or

Reasons for NMDHSEM declining payment requests include, but are not limited to, the following:

- The POP has expired;
- The amount exceeds the remaining funding available for disbursement prior to the final financial and program compliance reviews (the hold or funding retention amount);
- Request for payment requires a state and/or budget amendment, and cannot be processed until the amendment request is received/approved;
- The reimbursement requested is for an activity outside of the approved scope of work;
- Forms are not signed by an authorized person, or are signed by only one signatory;
- Reimbursement of awarded funds have been suspended due to a non-compliance issue such as failure to submit quarterly reports; or
- Reimbursements of awarded funds have been suspended due to noncompliance activities.

**Sub-recipients can reduce the likelihood of delays in processing of payment requests by checking for accuracy prior to submission.**

### ARTICLE 3: AUDITING AND REPORTING REQUIREMENTS

**A. Quarterly Reports.** In accordance with 2 C.F.R. § 200.328, the Applicant shall submit quarterly reports to the NMDHSEM beginning with the first full quarter after the signature date on the Sub-recipient Grant Agreement. The NMDHSEM will provide sub-recipient a form for this report. Quarterly reports are due no later than the 15th of the month following the end of the quarter - January 15, April 15, July 15, and October 15.

In order that NMDHSEM may adequately evaluate the progress and status of each sub-grant, quarterly reports shall contain a description of the work accomplished to date, the methods and procedures used, the anticipated completion date, a summary of all project costs to date, and other such information as may be of assistance in its evaluation of the project.

Reports shall be sent to the Department of Homeland Security & Emergency Management, Recovery Unit, P.O. Box 27111, Santa Fe, NM 87502, or electronically to [DHSEM.mitigation@dhsem.nm.gov](mailto:DHSEM.mitigation@dhsem.nm.gov).

**B. Additional Reporting Requirements.** The sub-recipient must immediately report in writing to the NMDHSEM Mitigation Unit any alleged acts or allegations of fraud or misappropriation of funds for work authorized under this Sub-recipient Grant Agreement. This extends to reporting any legal action, lawsuit, bankruptcy, or other action that may jeopardize the successful completion of any authorized project. Additional reporting and financial reconciliation requirements may also be requested at NMDHSEM and FEMA's request. Failure to comply with these requests may jeopardize funding and may be a breach of this Sub-recipient Grant Agreement.

**C. Enforcement.** The NMDHSEM may suspend drawdowns, impose other special conditions, or take other authorized action pursuant to 2 C.F.R. § 200.339 (Remedies for Noncompliance) if the sub-recipient does not submit accurate and timely reports. This may include, among other things, the administrative closeout of a grant and/or any projects under a grant when the sub-recipient is not responsive to reasonable efforts NMDHSEM makes to collect required reports needed to complete closeout. Administrative closeout is a unilateral mechanism by NMDHSEM to move forward with project or grant closeout using available grant information in lieu of final reports. This can require NMDHSEM to make cash or cost adjustments and ineligible cost determinations, which may result in identifying a debt owed to FEMA and/or NMDHSEM.

**D. Financial Procedures.** The sub-recipient agrees to maintain financial procedures and support documents and to establish and maintain a proper accounting system to record expenditures of disaster assistance funds in accordance with generally accepted accounting principles or as directed by the Governor's Authorized Representative, to account for the receipt and expenditure of funds under this Agreement. If applicable, RECIPIENT / SUBGRANTEE shall conduct audit(s) pursuant to the Single Audit Act of 1984, 31 U.S.C. § 7501 et. seq., 44 C.F.R. Part 14, 2 C.F.R. Part 200, OMB Circular A-133, "Audits of States, Local Governments, and Non-profit Organizations," and applicable New Mexico laws, rules and regulations. Further, sub-recipient must provide a hard copy of the Single Audit Report within sixty (60) days of the close of its fiscal year. Otherwise, pursuant to 44 C.F.R. § 13.43, NMDHSEM may withhold or suspend payments under any grant award.

The sub-recipient shall retain all financial records, supporting documents, statistical records, and any other documents pertinent to this contract for a period of five years after the date of submission of the final expenditures report. However, if litigation or an audit has been initiated prior to the expiration of the three-year period, the records shall be retained until the litigation or audit findings have been resolved.

**E. Authorizing Statute.** This award is made under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. No. 93-288 (1974) (codified as amended at 42 U.S.C. §§ 5121-5207) (Stafford Act), in accordance with 44 C.F.R. § 206.44.

All scopes of work and costs approved as a result of this Sub-recipient Grant Agreement, whether as estimates or final costs approved through subawards, PWs, or otherwise, will incorporate by reference the terms of this Sub-recipient Grant Agreement and must comply with applicable laws, regulations, policy, and guidance in accordance with this Sub-recipient Grant Agreement.

Pursuant to Executive Order 13858 Strengthening Buy-American Preferences for Infrastructure Projects, FEMA encourages recipients to use, to the greatest extent practicable and consistent with the law, iron and aluminum as well as steel, cement, and other manufactured products produced in the United States in Public Assistance and HMGP eligible public infrastructure repair and construction projects affecting surface transportation, ports, water resources including sewer and drinking water, and power. Such preference must be consistent with the law, including cost and contracting requirements at 2 C.F.R. Part 200.

**F. Additional Terms and Conditions.** The following additional sub-grant agreement documents are fully incorporated into this Sub-recipient Grant Agreement and thereby constitute additional terms and conditions of this agreement.

- The Stafford Act, its implementing regulations contained in Title 44 of the C.F.R., and FEMA policy and guidance.
- **Hazard Mitigation Assistance Guide (2024)**
- The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for

Federal Awards set forth at 2 C.F.R. Parts 200 and 3002.

- Attachment 1 United States Department of Homeland Security (USDHS) Standard Terms and Conditions (January 24, 2022) in effect on the date of the Declaration, which are incorporated by reference into this Sub-recipient Grant Agreement
- Attachment 2 Reimbursement Checklist
- Attachment 3 Glossary and Definitions
- Attachment 4 Acronyms

#### ARTICLE 4: SCOPE OF WORK

- A. As authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act), as amended (42 U.S.C. § 5121 et seq.), and Section 662 of the Post Katrina Emergency Reform Act of 2006, as amended (6 U.S.C. § 762), the <<sub-recipient>>. The has been awarded funds to focus on clearing downed wood debris piles, hand thinning the understory, removing noxious and invasive weeds, applying herbicide, and potentially replanting native species, as conditions warrant. The treatments would be aimed at reducing hazardous fuel loads across the project area to minimize the fire hazard risk. Funds shall be utilized as outlined in the approved budget as awarded by FEMA on <<FEMA Approval Date>>. The Sub Recipient shall match the Federal Award Amount of <<fed\_amt>>, with a local jurisdictional amount of <<local\_amt>>, for a total project cost of <<project\_cost\_total>>. All work performed pursuant to this agreement must comply with the approved FEMA application. All work must be completed within the performance period, between <<GRANT POP>>. The <<sub-recipient>>. shall not sub-grant any part of this award to any other entity or organization. Within the first reporting quarter, all awards require confirmation that expenditures in the budget category toward this project will be made. If not, DHSEM may execute a de-obligation of Federal funds without recourse by the <<sub-recipient>>.
- B. Approved projects must commence within the first reporting quarter. If a project cannot commence and be operational within the first reporting quarter of the approved award date, the sub-Recipient must submit a written statement to DHSEM, signed by the sub-recipient signatory officials, justifying the delay in implementation, the expected starting date, and a formal request to extend the project start date past the first reporting quarter. At the sole discretion of DHSEM, the grant award is subject to cancellation, and funds may be de-obligated and reallocated to other projects.

#### ARTICLE 5: PUBLICATIONS

- A. Publications created with funding under this grant shall prominently contain the following statement or a DHSEM pre-approved modification: **This Document was prepared under a sub-grant from the FEDERAL EMERGENCY MANAGEMENT AGENCY and the NEW MEXICO DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of the Federal Emergency Management Agency and the New Mexico Department of Homeland Security and Emergency Management.**

#### ARTICLE 6: PERFORMANCE PERIODS

The performance period for this sub-grant award is <<SUB-GRANT POP>>. Further, all personnel-related grant activity must be completed between <<GRANT POP>>. Funds may not be obligated outside of these time periods. An obligation occurs when funds are encumbered, as with a purchase order and/or commitment of salaries and benefits. **All obligated and encumbered funds *must be liquidated* within 45 days of the end of the performance period when the *Final Progress and Financial Reports* are due.**

#### ARTICLE 7: RECOVERY OF FUNDS FOR DUPLICATION OF BENEFITS AND INELIGIBLE ACTIVITIES

- A. Ineligible Activities.** The FEMA and/or NMDHSEM may disallow costs and recover funds based on the results of the audit or review during or after the performance of the award to ensure compliance with the terms of the Sub-recipient Grant Agreement and award document. The FEMA and/or NMDHSEM is required to recover funds when the sub-recipient has ineligible underruns (for example, actual costs for a PA large project are less than the amount awarded based on initial estimates); knowingly or negligently withholds or misrepresents material information; fails to complete work and comply with the terms of this Sub-recipient Grant Agreement or the approved award; expends federal funds in error; or incurs costs that are unreasonable or otherwise disallowed. If, after exhaustion of appeal rights, FEMA and/or NMDHSEM determines a debt is owed, the State has 30 days to resolve the amount owed before the debt is referred to the FEMA Finance Center for collection. The State may do so by directly paying FEMA. The State may also deposit the amount owed directly into the applicable subaccount in the U.S. Health and Human Services (HHS)/Smartlink and notify FEMA when it has reimbursed that subaccount, after which FEMA will de-obligate that amount in the subaccount. Alternatively, the sub-recipient may request to substitute unallowable costs for other costs that are allowable (e.g., necessary, allocable, and reasonable under the same award and have not yet been reimbursed by FEMA).
- B. Duplication of Benefits.** In accordance with the provisions of 42 U.S.C. § 5155 (Section 312 of the Stafford Act), duplication of benefits is prohibited. The NMDHSEM must take all actions necessary and reasonable to ensure that all who receive federal assistance are aware of their responsibility to repay federal assistance that is duplicated by amounts available from insurance or any other source for the same purpose. The FEMA and/or NMDHSEM may at any time, pre-award or post-award, adjust the level of funding provided to account for financial assistance provided from any other source for the same purpose as the federal assistance or to account for benefits available for the same purpose from another source, irrespective of whether they are actually received. The sub-recipient shall notify NMDHSEM, as soon as practicable, of the existence of any insurance coverage for the costs identified in the application and of any entitlement to or recovery of funds from any other source for the project costs, including Small Business Administration funding, United States Department of Agriculture (USDA), and other Federal, State, and private funding. The amount of duplicate sources available shall reduce allowable costs. The sub-recipient shall be liable to NMDHSEM to the extent that the sub-recipient receives duplicate benefits from any other source for the same purposes for which the sub-recipient has received payment from the NMDHSEM.
- C. Cooperation.** The NMDHSEM agrees, on its behalf and on behalf of its political subdivisions and others that receive federal assistance, to cooperate with the Federal Government in seeking recovery of federal assistance against any party or parties whose intentional acts or omissions or whose negligence or other tortious conduct may have caused or contributed to the damage or hardship for which federal assistance was provided under this Sub-recipient Grant Agreement. If applicable, FEMA will treat recovered funds as duplicated benefits available to NMDHSEM/sub-recipient in accordance with Section 312 of the Stafford Act (codified as amended at 42 U.S.C. § 5155).
- D. NMDHSEM Responsibilities.** The NMDHSEM is responsible for recovering federal assistance expended in error, misrepresentation, fraud, or for otherwise disallowed or unused costs.
- a. The NMDHSEM must notify FEMA of any potential debt resulting from federal funds expended in error, misrepresentation, or fraud or for costs otherwise disallowed or unused.
  - b. The NMDHSEM must report all cases of suspected fraud to the USDHS Office of Inspector General, cooperate with any investigation conducted by the USDHS Office of Inspector General, and cooperate with FEMA regarding any and all lawsuits that may result from the NMDHSEM or FEMA's attempt to recover funds or disallow costs.

- E. Statute of Limitations.** The 3-year statute of limitations limiting FEMA's ability to initiate an administrative action to recover funds paid as provided for in Section 705(a) of the Stafford Act (codified as amended at 42 U.S.C. § 5205(a)) begins with:
  - a. Initiation of an Administrative Action to Recover Payment.** The initiation of an administrative action to recover payment includes FEMA's written notice to the NMDHSEM or a sub-recipient of a questioned or disallowed cost or improper payment (including a request for information concerning such cost or payment) and written notice to the NMDHSEM or a sub-recipient of a FEMA or 3<sup>rd</sup> party review or audit.
  
- F. Refunds, Rebates, and Credits.** The NMDHSEM must transfer to FEMA the appropriate share, based on the federal support percentage, of any refund, rebate, credit, or other amounts arising from the performance of this Sub-recipient Grant Agreement. The NMDHSEM must take necessary action to collect all monies due promptly or which may become due and, if applicable, to cooperate with the Federal Government in any claim or suit in connection with amounts due.
  
- G. Non-Compliant Sub-recipients.** As per 2 C.F.R. §§ 200.207, 200.303(d) and 200.338(A-F), NMDHSEM can selectively use any or all the following remedies and prompt actions for non-compliance with any term of an award to include audit finding(s):
  - a.** Increased monitoring of projects and required additional financial and performance reports.
  - b.** Disallow the advance payment process.
  - c.** Temporarily withhold payments pending correction of the deficiency.
  - d.** Disallow or deny the use of funds and matching credit for all or part of the cost of the activity or action not in compliance.
  - e.** Request FEMA to entirely or partially de-obligate funding for a project.
  - f.** Temporarily withhold payments pending correction of the deficiency by the sub-recipient.
  - g.** Withhold further awards for the grant program.
  - h.** Take other programmatic or legally available remedies.

## **ARTICLE 8: CONSTRUCTION REQUIREMENTS**

- A.** The NMDHSEM must ensure that all applicable federal, state, and local permits and approvals are obtained and all permit conditions are addressed before the start of any construction activity, including FEMA and NMDHSEM/sub-recipient compliance with the National Environmental Policy Act, the National Historic Preservation Act, the Endangered Species Act, and all other applicable environmental laws and executive orders. All construction should be in accordance with approved permits, project plans and specifications, applicable building codes, and program guidance.

## **ARTICLE 9: NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)/ENVIRONMENTAL PLANNING AND HISTORIC PRESERVATION (EHP) COMPLIANCE**

- A.** The sub-recipient must provide information to FEMA on the legally required environmental planning and historic preservation (EHP) review and to ensure compliance with the applicable EHP laws and Executive Orders (EO). These EHP requirements include but are not limited to the National Environmental Policy Act, National Historic Preservation Act, Endangered Species Act, E 11988 Floodplain Management, EO 11990 Protection of Wetlands, and EO 12898 Environmental Justice. The sub-recipient must comply with all federal, state, local, tribal, and territorial EHP requirements and obtain applicable permits and clearances. [See FEMA Policy: Grant Program Directorate Environmental Planning and Historic Preservation, FEMA Policy #108-023-1, Revision 2 for more information.](#)

- B. Sub-recipients shall not undertake any activity from the project that would result in ground disturbance, facility modification, or related to the use of sonar equipment without the prior approval of FEMA. These include but are not limited to communications towers, physical security enhancements involving ground disturbance, new construction, modifications to buildings that are 50 years old or older, construction projects inside buildings less than 43 years old, and exercises. The sub-recipient must comply with all mitigation or treatment measures required for the project due to FEMA’s EHP review. An EHP Screening Form does not need to be provided for exercises planned to take place at previously approved facilities, such as fire and police academies, search and rescue training facilities, and explosive testing centers. Any exercise that requires land, water, vegetation disturbance, or building of temporary structures must undergo an EHP review.
- C. Any change to an approved project description will require re-evaluation to comply with EHP requirements before proceeding. If ground-disturbing activities occur during project implementation, the sub-recipient must ensure monitoring of ground disturbance. If any potential archeological resources are discovered, the sub-recipient will immediately cease construction in that area and notify NMDHSEM, FEMA, and the New Mexico Historic Preservation Division. Initiation of these activities prior to completion of FEMA’s EHP review will result in a non-compliance finding and may result in ineligibility of grant funding.

**ARTICLE 10: PROPERTY AND EQUIPMENT MANAGEMENT**

- A. The sub-recipient will follow the property standards articulated in 2 C.F.R. § 200.310 through 2 CFR 200.316. The sub-recipient shall, when practical, prominently display the following on any equipment purchased with award funds: **PURCHASED WITH FUNDS PROVIDED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY**. No equipment purchased with these grant funds may be assigned to other entities or organizations without the expressed approval in writing from DHSEM prior to the jurisdiction’s encumbrance or expenditure for that equipment.
- B. The subrecipient will follow the property standards articulated in 2 C.F.R. § 200.310 through 2 C.F.R. § 200.316. The subrecipient shall maintain an effective property management system; safeguards to prevent loss, damage, or theft; maintenance procedures to keep equipment in good condition; and disposition procedures. A Property Inventory Report shall be submitted to NMDHSEM annually each January 30 with the Financial Progress Report during the performance period, and continued submission is required annually until final disposition of the equipment. The subrecipient shall, when practical, prominently display the following on any equipment purchased with award funds: Purchased with funds provided by the FEDERAL EMERGENCY MANAGEMENT AGENCY. No equipment purchased with these grant funds may be assigned to other entities or organizations without the expressed approval in writing from NMDHSEM prior to the jurisdiction’s encumbrance or expenditure for that equipment.
- C. Any disposition of property or equipment must be in accordance with 2 C.F.R. § 200.313(e) and pre-approved by FEMA through NMDHSEM.

**ARTICLE 11: SUBRECIPIENT MONITORING POLICY**

- A. In accordance with 2 C.F.R. § 200.328, NMDHSEM may periodically monitor a sub-recipient’s projects to ensure that program goals, objectives, timelines, budgets, and other related program criteria are being met. The NMDHSEM reserves the right to periodically review and conduct an analysis of the sub-recipient’s financial, programmatic, and administrative policies and procedures. This monitoring may include a review of accounting for receipts and expenditures, cash management, maintaining adequate financial records, means of allocating and tracking costs, contracting, procurement, records management, payroll, means of allocating staff costs, property, and equipment management system, the progress of project activities, etc. This may include unscheduled desk audits and field inspections. The sub-recipient shall accommodate all

such requests within reason. If the sub-recipient encounters any unanticipated problem with the Scope of Work, allowed costs, procurement, permitting, or other difficulty, the sub-recipient must communicate that problem to NMDHSEM promptly. Work on affected projects must be suspended until the problem is resolved. Technical assistance is available from NMDHSEM staff.

- B. The sub-recipient will immediately, no later than 24-hours upon notice, report to NMDHSEM allegations of wrong-doing on the part of any contractor, sub-contractor, agent or employee of the sub-recipient, or other interested party in reference to the work authorized under this Sub-recipient Grant Agreement. This extends to any legal action, lawsuit, bankruptcy, or other action that may jeopardize the successful completion of any authorized project.

## **ARTICLE 12: PROCUREMENT**

- A. Procurement shall comply with all federal, state, and local procurement requirements including 2 C.F.R. § 200.320 and the [New Mexico Procurement Code](#) for expenditure of funds under this Agreement. The sub-recipient must conform to applicable state and federal law and the Procurement Standards Sections 2 C.F.R. § 200.317-327, and Appendix II to Part 200. Contractors that develop or draft specifications, requirements, Statements of Work, and/or Requests for Proposals (RFP) for a proposed procurement shall be excluded from bidding or submitting a proposal to compete for the award of such procurement. Local bidder's preference is not allowed for federally funded procurements. Procurement transactions shall be conducted to provide maximum open and free competition.
- B. When procuring property and services under this agreement, the sub-recipient will follow 2 C.F.R. § 200.318 through 2 C.F.R. § 200.326 and Appendix II. The sub-recipient must use its own documented procurement procedures which reflect applicable state, local, tribal, and territorial laws, and regulations, provided that the procurements conform to applicable federal law and the standards identified in 2 C.F.R. § 200. As such, the sub-recipient must use one of the methods of procurement identified in 2 C.F.R. § 200.320.
- C. Also, per 2 C.F.R. § 200.318(i), subrecipients are required to maintain and retain records sufficient to detail the history of procurement covering at least the rationale for the procurement method, selection of contract type, contractor selection or rejection, and the basis for the contract price. States and territories are encouraged to maintain and retain this information as well and are reminded that in order 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:
  - a. Solicitation documentation, such as requests for quotes, invitations for bids, or requests for proposals;
  - b. Responses to solicitations, such as quotes, bids, or proposals;
  - c. Pre-solicitation independent cost estimates and post-solicitation cost/price analyses on file for review by federal personnel, if applicable;
  - d. Contract documents and amendments, including required contract provisions; and
  - e. Other documents required by federal regulations applicable at the time a subgrant is awarded to a subrecipient.
- D. Procurement from Minority Owned and Women Owned Business is encouraged and must be tracked and reported to NMDHSEM on the quarterly reports. Procurement transactions shall be conducted to provide maximum open and free competition. Each sole-source procurement single vendor response to a competitive bid, and all purchases require prior approval of NMDHSEM.
- E. The sub-recipient will follow the property standards articulated in 2 C.F.R. § 200.310 through 2 C.F.R. § 200.326. The sub-recipient shall maintain an effective property management system; safeguards to prevent loss, damage or theft; maintenance procedures to keep equipment in good condition; and disposition

procedures. Property and equipment records shall be maintained for a period of three years following the final disposition, replacement or transfer of the property and equipment.

### ARTICLE 13: CONTRACTS

- A. Contractors that develop or draft specifications, requirements, Statements of Work, and/or Requests for Proposals (RFP) for a proposed procurement shall be excluded from bidding or submitting a proposal to compete for the award of such procurement. Local bidder's preference is not allowed for federally funded procurements. Procurement transactions shall be conducted to provide maximum open and free competition. Each sole-source procurement, single vendor response to a competitive bid, and all purchases require prior approval of DHSEM.
- B. Any contract shall comply with the requirements of Procurement Standards Sections of 28 C.F.R. Parts 66 and 70, 2 C.F.R. Part 200 and OMB Circulars A-102 "Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments" for expenditure of Federal funds under this Sub-recipient Grant Agreement. Applicants shall submit procurement and contracts to NMDHSEM for review prior to approval. Contracts for professional services must meet applicable local, state, and federal requirements. All contractors must be licensed in New Mexico for the type of work that is required. Prior to any contracted work beginning, the sub-recipient shall provide NMDHSEM with a copy of the contractor's license. Contract work must not exceed the scope of work and PW awarded amount prescribed by FEMA, unless requested through a scope of work change and approval from FEMA.
- C. Any contract entered during this sub-grant period shall comply with local, State, and Federal government contracting regulations. Professional and consultant services contracts must include local, State, and Federal government-required contract language, a project budget, SOW, and a pay schedule. **All contracts require pre-approval by DHSEM prior to execution.** Contract deliverables must meet the intent of the grant application and grant requirements. Justification is required for compensation for individual consultant services, which must be reasonable and consistent with the amount paid for similar services in the marketplace. Detailed invoices and time and effort reports are required for consultants.

### ARTICLE 14: COMPETITION AND CONFLICTS OF INTEREST

- A. Among the requirements of 2 C.F.R. § 200.319(b) applicable to all non-federal entities other than states, in order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. The FEMA considers these actions to be an organizational conflict of interest and interprets this restriction as applying to contractors that help a subrecipient develop its grant application, project plans or project budget. This prohibition also applies to the use of former employees to manage the grant or carry out a contract when those former employees worked on such activities while they were employees of the non-federal entity.
- B. Under this prohibition, unless the subrecipient solicits for and awards a contract covering both development and execution of specifications (or similar elements as described above), and this contract was procured in compliance with 2 C.F.R. §§ 200.317 – 200.327, federal funds cannot be used to pay a contractor to carry out the work if that contractor also worked on the development of those specifications. This rule applies to all contracts funded with federal grant funds, including pre-award costs, such as grant writer fees, as well as post-award costs, such as grant management fees. Additionally, some of the situations considered to be restrictive of competition include, but are not limited to:
  - a. Placing unreasonable requirements on firms for them to qualify to do business;
  - b. Requiring unnecessary experience and excessive bonding;
  - c. Noncompetitive pricing practices between firms or between affiliated companies;

- d. Noncompetitive contracts to consultants that are on retainer contracts;
  - e. Organizational conflicts of interest;
  - f. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
  - g. Any arbitrary action in the procurement process.
- C. Per 2 C.F.R. § 200.319(c), the subrecipient must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, tribal, or territorial geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. **When contracting for architectural and engineering services, geographic location may be a selection criterion, provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.**
- D. Under 2 C.F.R. § 200.318(c)(1), the subrecipient is required to maintain written standards of conduct covering conflicts of interest and governing the actions of their employees engaged in the selection, award, and administration of contracts. **No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest.** Such conflicts of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The non-federal entity's officers, employees, and agents may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, subrecipient entities may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-federal entity.
- E. Under 2 C.F.R. § 200.318(c)(2), if the subrecipient has a parent, affiliate, or subsidiary organization that is not a state, local, tribal or territorial government, the subrecipient must also maintain written standards of conduct covering organizational conflicts of interest. In this context, organizational conflict of interest means that because of a relationship with a parent company, affiliate, or subsidiary organization, the subrecipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. The non-federal entity must disclose in writing any potential conflicts of interest to FEMA or NMDHSEM in accordance with applicable FEMA policy.

## ARTICLE 15: CONTRACTS

- A. Contracts for professional and consultant services executed during this grant period must include federal, state, local, tribal, and territorial government-required contract language and a project budget and require pre-approval by NMDHSEM prior to implementation. Contract deliverables must meet the intent of the grant application and grant requirements. Justification is required for compensation for individual consultant services, which must be reasonable and consistent with the amount paid for similar services in the marketplace. Detailed invoices and time and effort reports are required for consultants. See 2 C.F.R. § 200.1, 2 C.F.R. § 200 Appendix II to Part 200.

## ARTICLE 16: AUDIT REQUIREMENTS

- A. As a federal grant recipient, the State of New Mexico requires a sub-recipient expending \$750,000 or more in federal funds in the organization’s fiscal year to conduct an organization-wide audit in accordance with

the Single Audit described in 2 C.F.R. § 200.501. The sub-recipient will permit state or federal officials and auditors to have access to sub-recipient and contractor records and financial statements as necessary for the state to comply with 2 C.F.R. § 200.501. Copies of audit findings must be submitted to NMDHSEM within 30 days after the sub-recipient receives its audit report, or within a 9-month period of the grant closeout date, whichever is earlier. Include the federal agency name, program, grant number, the CFDA title and number, and the name of the pass-through agency (NMDHSEM) in all documents.

## ARTICLE 17: RECORDS RETENTION

### A. Records Retention.

- a. **State Requirement.** The State must retain records for three years after all projects are complete and the federal disaster is formally closed out, except in certain rare circumstances described in 2 C.F.R. § 200.334 (Retention requirements for records), from the date it submits the final Federal Financial Report (SF-425) to FEMA in compliance with 2 C.F.R. § 200.334. If FEMA administratively closes the grant where no final SF-425 was submitted, FEMA uses the date the grant was administratively closed as the start date for the three-year record retention period.
- b. **Sub-recipient Requirement.** The sub-recipients must retain project or subaward records for at least three years from the date that the NMDHSEM submits to FEMA the final expenditure report for a project or subaward. If, however, there is any litigation, claim, negotiation, audit, request for information, or other action involving the project or subaward that starts before that date, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the three-year period, whichever is later.
- c. The sub-recipient will follow the record retention and access standards articulated in 2 C.F.R. § 200.333 through 2 C.F.R. § 200.337. The grant financial and administrative records shall be maintained for a period of three years following the date of the closure of the grant award, or audit if required. Time and effort, personnel and payroll records for all individuals reimbursed under the award must be maintained. Property and equipment records shall be maintained for a period of three years following the final disposition, replacement or transfer of the property and equipment.
- d. The sub-recipient will be required to maintain project records until the expiration of the appropriate retention period. This includes records related to Management Costs, procurement, contracting, accounts payable, engineering, inventory, force account (materials, labor, and equipment), insurance settlements or other records related to the project scope of work. Retention procedures are outlined in the Hazard Mitigation Assistance Grant Programs Administrative Plan.

## **ARTICLE 18: CHANGES TO AWARD**

- A.** In keeping with 2 C.F.R. § 200.308, the subrecipient must report deviations from the approved budget, project or program scope, or objective(s) in accordance with 2 C.F.R. § 200.329. The subrecipient must request prior approvals for budget and program plan revisions in accordance with this section. The subrecipient must request prior written approval for the following program and budget-related reasons:
- a. Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).
  - b. Change in key personnel (including employees and contractors) that are identified by name or position in the Federal award.
  - c. The disengagement from a project for more than three months, or a 25 percent reduction in time and effort devoted to the Federal award over the course of the period of performance, by the approved project/program director.
  - d. The inclusion, unless waived by the Federal agency, of costs that require prior approval in accordance with 2 C.F.R. Subpart E as applicable.
  - e. The transfer of funds budgeted for participant support costs to other budget categories.
  - f. Subaward activities not proposed in the application and approved in the Federal award or NMDHSEM sub-grant agreement.
  - g. Changes in the total approved cost-sharing amount.
  - h. The need arises for additional Federal funds to complete the project.
  - i. Transferring funds between the construction and non-construction work under a Federal award.
  - j. A no-cost extension (meaning, an extension of time that does not require the obligation of additional Federal funds) of the period of performance
- B.** All change requests must be submitted either in writing or electronically to the NMDHSEM contact for review 90 days before this Sub-recipient Grant Agreement is terminated. A justification narrative and a budget and spending plan must accompany all change requests. All change requests must be consistent with the scope of the project and grant guidelines. Change requests will be considered only if reporting requirements are current and all other terms and conditions of this Sub-recipient Grant Agreement have otherwise been met at the time of the request. If approved by NMDHSEM and FEMA, changes in the programmatic activities, the purpose of the project, key personnel specified on the grant award, contractual services for activities central to the purposes of the award, change in the project site, or release of special conditions, will result in an amendment to this award. Requests for changes must be formally submitted to NMDHSEM and FEMA.
- C.** Changes to this Sub-recipient Grant Agreement will be made via a Sub-recipient Grant Agreement Amendment. The NMDHSEM will prepare each Amendment when needed. No Sub-recipient Grant Agreement Amendment is valid until fully executed.

## **ARTICLE 19: REMEDIES FOR NONCOMPLIANCE**

- A.** For the reasons listed below, special conditions may be imposed, reimbursements may be partially or wholly withheld, the award may be wholly or partly suspended or terminated, or future awards, reimbursements, and award modifications may be withheld. The NMDHSEM may institute the following, but is not limited to, withholding authority to proceed to the next phase of a project, requiring additional or more detailed financial reports, additional project monitoring, and/or establishing additional prior approvals. The NMDHSEM shall notify the sub-recipient of its decision in writing, stating the nature and the reason for imposing the conditions/restrictions, the corrective action required the timeline to remove them, and the

method of requesting reconsideration of the imposed conditions/restrictions. The sub-recipient must respond within five days of receipt of notification.

- a. Unwillingness or inability to attain project goals or scope of work.
  - b. Unwillingness or inability to adhere to Special Conditions of this Sub-recipient Grant Agreement.
  - c. Failure or inability to adhere to grant guidelines and federal compliance requirements.
  - d. Improper procedures regarding contracts and procurements.
  - e. Failure to submit reliable and/or timely reports.
  - f. Fiscal management which does not meet reasonable professional standards.
  - g. Failure or inability to adhere to the terms and conditions of this Sub-recipient Grant Agreement.
  - h. Unwillingness or inability to obtain permits required by law to perform the eligible work.
  - i. Noncompliance with any and all federal, state, local, and tribal grant requirements.
- B.** The NMDHSEM shall notify the sub-recipient of any non-compliance issues in writing and shall attempt to arrive at a resolution in a timely and reasonable fashion. If corrective action is required, NMDHSEM and the sub-recipient shall determine a timeline and landmarks for remediation. The NMDHSEM may require additional detailed financial reports or additional project monitoring. The ultimate penalty for non-compliance with the terms and conditions of this Sub-recipient Grant Agreement is for payments to be withheld or for the award to be suspended or terminated. The sub-recipient agrees to make restitution if necessary.
- C.** The NMDHSEM may take action as it determines appropriate under the circumstances, including but not limited to withholding of payments, disallowance of costs, suspension or termination of the award if the sub-recipient fails to comply with applicable Federal and State statutes, regulations, or the terms of this Sub-recipient Grant Agreement pursuant to 2 C.F.R. § 200.339.
- D.** Nothing in this section abrogates the sub-recipient’s right of appeal.

**ARTICLE 20: TERMINATION**

- A. For Cause:** In compliance with 2 C.F.R. § Part 200.340(a)(1), the award may be reduced or terminated without compensation for reduction or termination costs if performance is not occurring as agreed. The NMDHSEM will provide five days' notice to the subrecipient stating the reasons for the action, steps taken to correct the problems, and the commencement date of the reduction or termination. The NMDHSEM will reimburse the subrecipient only for acceptable work or deliverables, necessary and allowable costs incurred through the date of reduction or termination. Final payment may be withheld at the discretion of NMDHSEM until completion of a final NMDHSEM review. Disposition of any equipment acquired under a terminated grant must be in accordance with 2 C.F.R. § 200.313(e).
- B. For Convenience:** In compliance with 2 CFR Part 200.340(a)(4), this Agreement may be terminated without cause by the subrecipient upon written notice setting forth the reasons for such termination and the effective date at least 30 days prior to the intended date of termination. A termination pursuant to this provision does not nullify a party’s obligations for performance or liabilities for failure to perform already incurred prior to the termination date. Any project may be terminated upon convenience, in whole or in part, for the convenience of the subrecipient. However, a partial termination notification must specify the portion of the project which is to be terminated. Allowable costs obligated and/or incurred through the termination date shall be reimbursed. Disposition of any equipment acquired under a terminated grant must be in accordance with 2 C.F.R. § 200.313(e).

## ARTICLE 21: CLOSEOUT OF SUB-GRANT

- A. Closeout of Projects.** Per 2 C.F.R. § 200.344, sub-recipients must submit all costs and supporting documentation for completed projects. The NMDHSEM will review and verify all costs and supporting documents to validate compliance. Failure to comply will result in the project's de-obligation. The NMDHSEM will close each sub-recipient file once it has conducted a full review and approval of all supporting documents for compliance, all projects are completed, and project activity is closed out.
- a. Management Costs.** Management Costs will be used for internal staff salaries, contractor payments and other support costs associated with this grant. This will be in accordance with all laws, rules, and FEMA regulations. Management Costs will be processed in accordance with the Hazard Mitigation Assistance Program and Policy Guide.

**The NMDHSEM commits to the closeout of all grants regardless of the availability of management costs.**

## ARTICLE 22: SPECIAL CONDITIONS

- A.** The terms of this Sub-recipient Grant Agreement are contingent upon sufficient appropriations and authorizations being made by the USDHS FEMA under the Robert T. Stafford Disaster Relief and Emergency Assistance Act U.S.C. §§ 5121-5207. If sufficient appropriations and authorizations are not made by FEMA this Sub-recipient Grant Agreement shall terminate immediately upon written notice being given by NMDHSEM to the sub-recipient. The decision of NMDHSEM shall be final.
- B.** If NMDHSEM proposes an Amendment to the Sub-recipient Grant Agreement to unilaterally reduce funding, the sub-recipient shall have the option to terminate the Sub-recipient Grant Agreement or agree to the reduced funding within 30 days of receipt of the proposed Amendment.
- C.** Each party shall be solely responsible for fiscal or other sanctions occasioned because of its own violation of requirements applicable to the performance of this Sub-recipient Grant Agreement. Each party shall be liable for its own actions or inactions in accordance with state law, and nothing herein shall be deemed a waiver, indemnity, or otherwise create or effect liabilities between the parties.
- D.** The grant award amount is a funding allocation and is not to be interpreted as expenditure authorizations or approvals.
- E.** All awarded projects must be planned for, conducted, budgeted, and expended within the designated performance period.
- F.** Quarterly financial and progress reports within the POP are due on October 15, January 15, April 15, and July 15. Final reports are due 15 days after the end of POP.
- G.** All revision requests must be reviewed and approved by NMDHSEM staff. All requests must meet the original scope of the project which may result in a sub-recipient grant amendment.
- H.** A revision of a project's SOW must be pre-approved by NMDHSEM staff before the jurisdiction can proceed with the request for approval process. If the revision is approved, NMDHSEM staff may request additional documentation to proceed with a recommendation to NMDHSEM Leadership for final approval.

- I. The beneficiary of this award is solely responsible for all expenditures that are incurred outside of the award performance period. All expenditures that are incurred above and beyond the amount of this Sub-recipient Grant Agreement are the sole responsibility of the sub-recipient of this award.
- J. Procurement from Minority-Owned and Women-Owned Businesses is encouraged and must be tracked and reported to NMDHSEM on the quarterly reports.
- K. Upon completion of all awarded projects, any remaining funds will be de-obligated and reverted to NMDHSEM for return to FEMA.
- L. NMDHSEM will determine extensions due to exigent or emergency circumstances on a case-by-case basis.



**State of New Mexico**  
**Department of Homeland Security & Emergency Management**  
 P.O. Box 27111  
 Santa Fe, NM 87502

The acceptance of a subgrant from the United States and the State of New Mexico creates a legal duty and obligation on the part of the sub-recipient to use the funds or property made available in accordance with the conditions of the grant as administered by and through the New Mexico Department of Homeland Security and Emergency Management. By signing this obligating award document, the sub-recipient certifies it has read, understood, and accepted these documents as binding.

**SUB-RECIPIENT GRANT AGREEMENT**  
**Signatures of Acceptance**

<b>SUB-GRANT NO:</b>			
<b>JURISDICTION GRANT PROGRAM MANAGER PRINTED NAME:</b>			
<b>OFFICIAL SIGNATURE:</b>			<b>DATE:</b>
<b>CONTACT NUMBER:</b>		<b>E-MAIL ADDRESS:</b>	
<b>JURISDICTION CHIEF FINANCIAL OFFICER PRINTED NAME:</b>			
<b>OFFICIAL SIGNATURE:</b>			<b>Date:</b>
<b>CONTACT NUMBER:</b>		<b>E-MAIL ADDRESS:</b>	
<b>JURISDICTION SIGNATORY OFFICIAL PRINTED NAME:</b>			
<b>OFFICIAL SIGNATURE:</b>			<b>DATE:</b>
<b>CONTACT NUMBER:</b>		<b>E-MAIL ADDRESS:</b>	
<b>NMDHSEM MITIGATION PROGRAM BUREAU CHIEF PRINTED NAME:</b>			
<b>NMDHSEM MITIGATION PROGRAM BUREAU CHIEF OFFICIAL SIGNATURE / DATE:</b>			
<b>NMDHSEM GRANTS MANAGEMENT BUREAU CHIEF PRINTED NAME:</b>			
<b>NMDHSEM GRANTS MANAGEMENT BUREAU CHIEF OFFICIAL SIGNATURE / DATE:</b>			
<b>NMDHSEM DEPUTY CABINET SECRETARY OFFICIAL PRINTED NAME:</b>			
<b>NMDHSEM DEPUTY CABINET SECRETARY OFFICIAL SIGNATURE / DATE:</b>			

Sign and email to [DHSEM.MITIGATION@DHSEM.nm.gov](mailto:DHSEM.MITIGATION@DHSEM.nm.gov)

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**ATTACHMENT 1**  
**FY 2024 U.S. Department of Homeland Security Terms and Conditions**  
**Version 3 dated April 4, 2024**

The Fiscal Year (FY) 2024 Department of Homeland Security (DHS) Standard Terms and Conditions apply to all new federal awards of federal financial assistance (federal awards) for which the federal award date occurs in FY 2024 and flow down to subrecipients unless a term or condition specifically indicates otherwise. For federal awards that may involve continuation awards made in subsequent FYs, these FY 2024 DHS Standard Terms and Conditions will apply to the continuation award unless otherwise specified in the terms and conditions of the continuation award. The United States has the right to seek judicial enforcement of these terms and conditions.

All legislation and digital resources are referenced with no digital links. These FY 2024 DHS Standard Terms and Conditions are maintained on the DHS website at <https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions>.

- **Assurances, Administrative Requirements, Cost Principles, Representations, and Certifications**  
 Recipients must complete either the Office of Management and Budget (OMB) Standard Form 424B Assurances – Non- Construction Programs, or OMB Standard Form 424D Assurances – Construction Programs, as applicable. Certain assurances in these documents may not be applicable to your program and the DHS financial assistance office (DHS FAO) may require applicants to certify additional assurances. Applicants are required to fill out the assurances as instructed by the federal awarding agency.
- **General Acknowledgements and Assurances Recipients are required to follow the applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in effect as of the federal award date and located at 2 C.F.R. Part 200 and adopted by DHS at 2 C.F.R. § 3002.10.**

All recipients and subrecipients must acknowledge and agree to provide DHS access to records, accounts, documents, information, facilities, and staff pursuant to 2 C.F.R. § 200.337. Recipients must cooperate with any DHS compliance reviews or compliance investigations.

Recipients must give DHS access to examine and copy records, accounts, and other documents and sources of information related to the federal financial assistance award and permit access to facilities and personnel.

Recipients must submit timely, complete, and accurate reports to the appropriate DHS officials and maintain appropriate backup documentation to support the reports.

Recipients must comply with all other special reporting, data collection, and evaluation requirements required by law, federal regulation, Notice of Funding Opportunity, federal award specific terms and conditions, and/or federal awarding agency program guidance.

Recipients must complete the DHS Civil Rights Evaluation Tool within thirty (30) days of receiving the Notice of Award for the first award under which this term applies. Recipients of multiple federal awards from DHS should only submit one completed tool for their organization, not per federal award. After the initial submission, recipients are required to complete the tool once every two (2) years if they have an active federal award, not every time a federal award is made. Recipients must submit the completed tool, including supporting materials, to [CivilRightsEvaluation@hq.dhs.gov](mailto:CivilRightsEvaluation@hq.dhs.gov). This tool clarifies the civil rights obligations and related reporting requirements contained in these DHS Standard Terms and Conditions. Subrecipients are not required to complete and submit this tool to DHS. The evaluation tool

can be found at <https://www.dhs.gov/publication/dhs-civil-rights-evaluation-tool>. [DHS Civil Rights Evaluation Tool | Homeland Security](#).

The DHS Office for Civil Rights and Civil Liberties will consider, in its discretion, granting an extension to the 30-day deadline if the recipient identifies steps and a timeline for completing the tool. Recipients must request extensions by emailing the request to [CivilRightsEvaluation@hq.dhs.gov](mailto:CivilRightsEvaluation@hq.dhs.gov) prior to expiration of the 30-day deadline.

- **Standard Terms & Conditions**

**Acknowledgement of Federal Funding from DHS**

Recipients must acknowledge their use of federal award funding when issuing statements, press releases, requests for proposal, bid invitations, and other documents describing projects or programs funded in whole or in part with federal award funds.

**Activities Conducted Abroad**

Recipients must coordinate with appropriate government authorities when performing project activities outside the United States obtain all appropriate licenses, permits, or approvals.

**Age Discrimination Act of 1975**

Recipients must comply with the requirements of the Age Discrimination Act of 1975, Pub. L. No. 94-135 (codified as amended at 42 U.S.C. § 6101 *et seq.*), which prohibits discrimination on the basis of age in any program or activity receiving federal financial assistance.

**Americans with Disabilities Act of 1990**

Recipients must comply with the requirements of Titles I, II, and III of the Americans with Disabilities Act, Pub. L. No. 101-336 (1990) (codified as amended at 42 U.S.C. §§ 12101– 12213), which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities.

**Best Practices for Collection and Use of Personally Identifiable Information**

Recipients who collect personally identifiable information (PII) as part of carrying out the scope of work under a federal award are required to have a publicly available privacy policy that describes standards on the usage and maintenance of the PII they collect. DHS defines PII as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy Template as useful resources respectively.

**Civil Rights Act of 1964 – Title VI**

Recipients must comply with the requirements of Title VI of the Civil Rights Act of 1964, Pub. L. No. 88-352 (codified as amended at 42 U.S.C. § 2000d *et seq.*), which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. DHS implementing regulations for the Act are found at 6 C.F.R. Part 21. Recipients of an award from the Federal Emergency Management Agency (FEMA) must also comply with FEMA's implementing regulations at 44 C.F.R. Part 7.

**Civil Rights Act of 1968**

Recipients must comply with Title VIII of the Civil Rights Act of 1968, Pub. L. No. 90-284 (codified as amended at 42 U.S.C. § 3601 *et seq.*) which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex, as implemented by the

U.S. Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units— i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)—be designed and constructed with certain accessible features. (See 24 C.F.R. Part 100, Subpart D.)

#### Copyright

Recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 to any work first produced under federal awards and also include an acknowledgement that the work was produced under a federal award (including the federal award number and federal awarding agency). As detailed in 2 C.F.R. § 200.315, a federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work for federal purposes and to authorize others to do so.

#### Debarment and Suspension

Recipients must comply with the non-procurement debarment and suspension regulations implementing Executive Orders (E.O.) 12549 and 12689 set forth at 2 C.F.R. Part 180 as implemented by DHS at 2 C.F.R. Part 3000. These regulations prohibit recipients from entering into covered transactions (such as subawards and contracts) with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

#### Drug-Free Workplace Regulations

Recipients must comply with drug-free workplace requirements in Subpart B (or Subpart C, if the recipient is an individual) of 2 C.F.R. Part 3001, which adopts the Government-wide implementation (2 C.F.R. Part 182) of the Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 8101-8106).

#### Duplicative Costs

Recipients are prohibited from charging any cost to this federal award that will be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior budget period. (See 2 C.F.R. § 200.403(f)). However, recipients may shift costs that are allowable under two or more federal awards where otherwise permitted by federal statutes, regulations, or the federal financial assistance award terms and conditions.

#### Education Amendments of 1972 (Equal Opportunity in Education Act) – Title IX

Recipients must comply with the requirements of Title IX of the Education Amendments of 1972, Pub. L. No. 92-318 (codified as amended at 20 U.S.C. § 1681 *et seq.*), which provide that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal financial assistance. DHS implementing regulations are codified at 6 C.F.R. Part 17. Recipients of an award from the Federal Emergency Management Agency (FEMA) must also comply with FEMA's implementing regulations at 44 C.F.R. Part 19.

E.O. 14074 – Advancing Effective, Accountable Policing and Criminal Justice Practices to Enhance Public Trust and Public Safety Recipient State, Tribal, local, or territorial law enforcement agencies must comply with the requirements of section 12(c) of E.O. 14074. Recipient State, Tribal, local, or territorial law enforcement agencies are also encouraged to adopt and enforce policies consistent with E.O. 14074 to support safe and effective policing.

#### Energy Policy and Conservation Act

Recipients must comply with the requirements of the Energy Policy and Conservation Act, Pub. L. No. 94-163 (1975) (codified as amended at 42 U.S.C. § 6201 *et seq.*), which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this

Act.

#### False Claims Act and Program Fraud Civil Remedies

Recipients must comply with the requirements of the False Claims Act, 31 U.S.C. §§ 3729- 3733, which prohibit the submission of false or fraudulent claims for payment to the Federal Government. (See 31 U.S.C. §§ 3801-3812, which details the administrative remedies for false claims and statements made.)

#### Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. (See OMB Circular A-129.)

#### Federal Leadership on Reducing Text Messaging while Driving

Recipients are encouraged to adopt and enforce policies that ban text messaging while driving recipient-owned, recipient-rented, or privately owned vehicles when on official government business or when performing any work for or on behalf of the Federal Government. Recipients are also encouraged to conduct the initiatives of the type described in Section 3(a) of E.O. 13513.

#### Fly America Act of 1974

Recipients must comply with Preference for U.S. Flag Air Carriers (a list of certified air carriers can be found at: [Certificated Air Carriers List | US Department of Transportation, https://www.transportation.gov/policy/aviation-policy/certificated-air-carriers-list](https://www.transportation.gov/policy/aviation-policy/certificated-air-carriers-list)) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974, 49 U.S.C. § 40118, and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

#### Hotel and Motel Fire Safety Act of 1990

Recipients must ensure that all conference, meeting, convention, or training space funded entirely or in part by federal award funds complies with the fire prevention and control guidelines of Section 6 of the Hotel and Motel Fire Safety Act of 1990, 15 U.S.C. § 2225a.

#### John S. McCain National Defense Authorization Act of Fiscal Year 2019

Recipients, subrecipients, and their contractors and subcontractors are subject to the prohibitions described in section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232 (2018) and 2 C.F.R. §§ 200.216, 200.327, 200.471, and Appendix II to 2 C.F.R. Part 200. The statute – as it applies to DHS recipients, subrecipients, and their contractors and subcontractors – prohibits obligating or expending federal award funds on certain telecommunications and video surveillance products and contracting with certain entities for national security reasons.

#### Limited English Proficiency (Civil Rights Act of 1964, Title VI)

Recipients must comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*) prohibition against discrimination on the basis of national origin, which requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services. For additional assistance and information regarding language access obligations, please refer to the DHS Recipient Guidance: <https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited> and additional resources on <http://www.lep.gov>.

#### Lobbying Prohibitions

Recipients must comply with 31 U.S.C. § 1352 and 6 C.F.R. Part 9, which provide that none of the funds

provided under a federal award may be expended by the recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal action related to a federal award or contract, including any extension, continuation, renewal, amendment, or modification. Per 6 C.F.R. Part 9, recipients must file a lobbying certification form as described in Appendix A to 6 C.F.R. Part 9 or available on Grants.gov as the Grants.gov Lobbying Form and file a lobbying disclosure form as described in Appendix B to 6 C.F.R. Part 9 or available on Grants.gov as the Disclosure of Lobbying Activities (SF-LLL).

#### National Environmental Policy Act

Recipients must comply with the requirements of the National Environmental Policy Act of 1969, Pub. L. No. 91-190 (1970) (codified as amended at 42 U.S.C. § 4321 *et seq.*) (NEPA) and the Council on Environmental Quality (CEQ) Regulations for Implementing the Procedural Provisions of NEPA, which require recipients to use all practicable means within their authority, and consistent with other essential considerations of national policy, to create and maintain conditions under which people and nature can exist in productive harmony and fulfill the social, economic, and other needs of present and future generations of Americans.

#### Nondiscrimination in Matters Pertaining to Faith-Based Organizations

It is DHS policy to ensure the equal treatment of faith-based organizations in social service programs administered or supported by DHS or its component agencies, enabling those organizations to participate in providing important social services to beneficiaries. Recipients must comply with the equal treatment policies and requirements contained in 6 C.F.R. Part 19 and other applicable statutes, regulations, and guidance governing the participations of faith-based organizations in individual DHS programs.

#### Non-Supplanting Requirement

Recipients of federal awards under programs that prohibit supplanting by law must ensure that federal funds supplement but do not supplant non-federal funds that, in the absence of such federal funds, would otherwise have been made available for the same purpose.

#### Notice of Funding Opportunity Requirements

All the instructions, guidance, limitations, scope of work, and other conditions set forth in the Notice of Funding Opportunity (NOFO) for this federal award are incorporated by reference. All recipients must comply with any such requirements set forth in the NOFO. If a condition of the NOFO is inconsistent with these terms and conditions and any such terms of the Award, the condition in the NOFO shall be invalid to the extent of the inconsistency. The remainder of that condition and all other conditions set forth in the NOFO shall remain in effect.

#### Patents and Intellectual Property Rights

Recipients are subject to the Bayh-Dole Act, 35 U.S.C. § 200 *et seq.* and applicable regulations governing inventions and patents, including the regulations issued by the Department of Commerce at 37 C.F.R. Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Firms under Government Awards, Contracts, and Cooperative Agreements) and the standard patent rights clause set forth at 37 C.F.R. § 401.14.

#### Procurement of Recovered Materials

States, political subdivisions of states, and their contractors must comply with Section 6002 of the Solid Waste Disposal Act, Pub. L. No. 89-272 (1965) (codified as amended by the Resource Conservation and Recovery Act at 42 U.S.C. § 6962) and 2 C.F.R. § 200.323. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R.

Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

#### Rehabilitation Act of 1973

Recipients must comply with the requirements of Section 504 of the Rehabilitation Act of 1973, Pub. L. No. 93-112 (codified as amended at 29 U.S.C. § 794), which provides that no otherwise qualified handicapped individuals in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

#### Reporting of Matters Related to Recipient Integrity and Performance

If the total value of any currently active grants, cooperative agreements, and procurement contracts from all federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of the federal award, then the recipient must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated by reference.

#### Reporting Subawards and Executive Compensation

For federal awards that equal or exceed \$30,000, recipients are required to comply with the requirements set forth in the government-wide award term on Reporting Subawards and Executive Compensation set forth at 2 C.F.R. Part 170, Appendix A, the full text of which is incorporated by reference.

#### Required Use of American Iron, Steel, Manufactured Products, and Construction Materials

Recipients of an award of Federal financial assistance from a program for infrastructure are hereby notified that none of the funds provided under this award may be used for a project for infrastructure unless:

all iron and steel used in the project are produced in the United States—this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;

all manufactured products used in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and

all construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States.

The Buy America preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

#### **Waivers**

When necessary, recipients may apply for, and the agency may grant, a waiver from these requirements. The agency should notify the recipient for information on the process for requesting a waiver from these

requirements.

- (a) When the Federal agency has determined that one of the following exceptions applies, the awarding official may waive the application of the domestic content procurement preference in any case in which the agency determines that:
- (1) applying the domestic content procurement preference would be inconsistent with the public interest;
  - (2) the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
  - (3) the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

A request to waive the application of the domestic content procurement preference must be in writing. The agency will provide instructions on the format, contents, and supporting materials required for any waiver request. Waiver requests are subject to public comment periods of no less than 15 days and must be reviewed by the Made in America Office.

There may be instances where an award qualifies, in whole or in part, for an existing waiver described at ["Buy America" Preference in FEMA Financial Assistance Programs for Infrastructure | FEMA.gov.](#)

### ***Definitions***

The definitions applicable to this term are set forth at 2 C.F.R. § 184.3, the full text of which is incorporated by reference.

### **SAFECOM**

Recipients receiving federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications. The SAFECOM Guidance is updated annually and can be found at [Funding and Sustainment | CISA.](#)

### **Terrorist Financing**

Recipients must comply with E.O. 13224 and applicable statutory prohibitions on transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible for ensuring compliance with the E.O. and laws.

### **Trafficking Victims Protection Act of 2000 (TVPA)**

Recipients must comply with the requirements of the government-wide financial assistance award term which implements Trafficking Victims Protection Act of 2000, Pub. L. No. 106- 386, § 106 (codified as amended at 22 U.S.C. § 7104). The award term is located at 2 C.F.R. § 175.15, the full text of which is incorporated by reference.

### **Universal Identifier and System of Award Management**

Recipients are required to comply with the requirements set forth in the government-wide financial assistance award term regarding the System for Award Management and Universal Identifier Requirements located at 2 C.F.R. Part 25, Appendix A, the full text of which is incorporated reference.

### **USA PATRIOT Act of 2001**

Recipients must comply with requirements of Section 817 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

#### Use of DHS Seal, Logo and Flags

Recipients must obtain written permission from DHS prior to using the DHS seals, logos, crests, or reproductions of flags, or likenesses of DHS agency officials. This includes use of DHS component (e.g., FEMA, CISA, etc.) seals, logos, crests, or reproductions of flags, or likenesses of component officials.

#### Whistleblower Protection Act

Recipients must comply with the statutory requirements for whistleblower protections at 10 U.S.C § 470141 U.S.C. § 4712.

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## ATTACHMENT 2 Reimbursement Checklist

**DHSEM reserves the right to update this check list throughout the life of the grant to ensure compliance with applicable federal and state rules and regulations. *Please only check the categories that apply to the reimbursement you are currently requesting.***

### EQUIPMENT

- Have all invoices been included?
- Has AEL # been identified for each purchase?
- If service/warranty expenses are listed, are they only for the performance period of the grant?
- Has proof of payment been included? (e.g., canceled check, Electronic Funds Transfer (EFT) confirmation, or P-Card back up documentation which will include receipt with vendor, copy of credit card statement showing expense charged, and payment to credit card Company for that statement)

### CONSULTANTS/CONTRACTORS

- Does the amount billed by consultant add up correctly?
- Has all appropriate documentation to denote hours worked been properly signed?
- Have copies of all planning materials and work product (e.g., meeting documents, copies of plans) been included? (If a meeting was held by recipient or contractor/consultant of recipient, an agenda and sign-up sheet with meeting date must be included).
- Has the invoice from consultant/contractor been included?
- Has proof of payment been included? (e.g., canceled check, Electronic Funds Transfer (EFT) confirmation, or P-Card back up documentation which will include receipt with vendor, copy of credit card statement showing expense charged, and payment to credit card Company for that statement).

### SALARY POSITIONS (Note: this applies to positions billed under M&A)

- Have the following been provided: signed time sheet by employee and supervisor and proof that employee was paid for time worked (statement of earnings, copy of payroll check or payroll register)?
- Has a time period summary sheet been included for total claimed amount?
- Has a general ledger payroll report been included for total claimed amount? Ensure this report includes both employee and employer payroll information (i.e., benefits/contributions).
- Does the back-up documentation include a copy of the check stub per employee for the time period covered?
- Does the back-up documentation provided match the time period for which reimbursement is being requested?

### **OTHER:**

- If EHP form needed – has copy of it and approval from USDHS/FEMA been included?

### MATCHING FUNDS (IF APPLICABLE)

- Contributions are from Non-Federal funding sources.
- Contributions are from cash or in-kind contributions which may include training investments.
- Contributions are not from salary, overtime, or other operational costs unrelated to training.

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## ATTACHMENT 3

### Glossary and Definitions

**Applicant:** When an entity applies for PA funding, it is the **Applicant**. Once the Applicant receives funding, it is either the **recipient, pass-through entity, or a sub-recipient**.

**Authorized Equipment List (AEL):** The Authorized Equipment List (AEL) is a list of approved equipment types allowed under FEMA's preparedness grant programs.

**Backfill:** The act of filling a position left by another employee who has been moved to another role.

**Cost Match:** Recipient or sub-recipient contribution. This can be cash (hard match) or third party in-kind (soft match). 2 C.F.R. 200.306.

*Cost Sharing or Matching:* The portion of project costs not paid by federal funds or contributions (unless otherwise authorized by federal statute). 2 C.F.R. 200.1 Cost sharing or matching.

**Declared fire:** An uncontrolled fire or fire complex, threatening such destruction as would constitute a major disaster, which the FEMA Regional Administrator has approved in response to a state's request for a fire management assistance declaration and in accordance with the criteria listed in 44 C.F.R. 204.21. Fire Management Assistance Declaration Criteria.

*Disallowed costs:* Those charges to a federal award that the federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable federal statutes, regulations, or the terms and conditions of the federal award. 2 C.F.R. 200.1 Disallowed costs.

**Demobilization:** The process and procedures for deactivating, disassembling, and transporting back to their point of origin all resources that had been provided to respond to and support a declared fire.

**Disaster:** An emergency condition affecting all or part the state, overwhelming local resources, in which there is likely to be a significant recovery period. The Governor may request a Robert T. Stafford Act (Stafford Act) Disaster Declaration through FEMA, asking for the Public Assistance Program, Fire Management Assistance Program, Individual Assistance Program and Mitigation based upon known and estimated damage assessment data.

**Disaster Recovery Reform Act of 2018 (DRRA):** The DRRA represents the most comprehensive Emergency Management reform since the Post-Katrina Emergency Management Reform Act in 2006. It includes a larger and more reliable funding stream for pre-disaster mitigation, expanded assistance for individuals and households, and support for states, localities, tribes, and territories (SLTTs) to develop their own emergency management capabilities.

**Emergency:** A condition in which local and state emergency response agencies are overwhelmed by an incident to the point that federal assistance is needed. Unlike a disaster, an emergency does not have a recovery phase. The Governor may request a Stafford Act Emergency Declaration through FEMA, asking for the Public Assistance Program and/or Fire Management Assistance Grant.

**Emergency Work:** Work which must be done before, during and immediately after a disaster event to save lives and to protect improved property and public health and safety or to avert or lessen the threat of a major disaster. The FEMA Public Assistance emergency work Categories are:

- Category A (Debris Removal)
- Category B (Emergency Protective Measures)

**Equipment:** Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000. 2 C.F.R. 200.1 Equipment.

*Expenditures:* Charges made by a non-federal entity to a project or program for which a federal award was received. 2 C.F.R. 200.1 Expenditures.

**Federal Award:** The federal financial assistance that a recipient receives directly from a federal awarding agency or indirectly from a pass-through entity. 2 C.F.R. 200.1 Federal award.

**Federal Emergency Management Agency (FEMA):** The federal agency responsible for coordinating disaster recovery efforts in partnership with state, local, and tribal governments.

**Federal Share:** The portion of the federal award costs that are paid using federal funds. 2 C.F.R. 200.1 Federal share.

**FEMA/State Agreement:** A formal, legal document between FEMA and the state or a tribal government giving the understandings, commitments, terms, conditions, and timelines for assistance resulting from a federal disaster, emergency, or fire declaration, declared by the President.

**Governor's Authorized Representative (GAR):** The person designated by the Governor to execute all necessary documents for disaster assistance programs on behalf of the state and local grant recipients. The GAR is responsible for state compliance with the FEMA/State Agreement. The GAR may also be designated as the State Coordinating Officer.

**Hazard Mitigation:** Mitigation is the effort to reduce loss of life and property by lessening the impact of disasters.

**Hazard Mitigation (Sections 404 and 406):** Section 406 Mitigation measures are specific to the mechanism of the declared disaster and are an integral part of the reconstructed work on a facility or will protect or benefit the repaired portion of the facility. These are different from mitigation measures that are considered for eligibility under the Hazard Mitigation Grant Program (HMGP) of Section 404 of the Stafford Act. In the HMGP program, measures are proposed that may involve facilities other than those damaged by the disaster, new facilities, or even non-structural measures such as the development of floodplain management regulations.

**Incident Period:** The time interval during which the declared disaster occurs. The Regional Administrator, in consultation with the Governor's Authorized Representative and the Principal Advisor will establish the incident period. Generally, costs must be incurred during the incident period to be considered eligible.

The declaration designates the incident period. The incident period is the span of time during which the federally declared incident occurs. This period varies in length, depending on the incident.

**Improved Project:** When performing restoration work on a damaged facility, a sub-recipient may use the opportunity to make improvements to the facility. Projects that incorporate such improvements are improved projects. The improved facility must have the same function and at least the equivalent capacity as that of the pre-disaster facility. Federal funding for improved projects is limited to the lesser of the following: the federal share of the approved estimated costs to restore the damaged facility to its pre-disaster design and function or the federal share of the actual cost of completing the improved project.

The sub-recipient must obtain FEMA approval, via the NMDHSEM, for an improved project prior to construction.

**Indirect Costs:** Costs a recipient or sub-recipient incurs for a common or joint purpose benefitting more than one cost objective that are not readily assignable to the cost objectives specifically benefited.

**Joint Field Office (JFO):** A temporary facility established in or near a declared disaster area to serve as the field headquarters for FEMA, other federal and state recovery personnel, and serve as the focal point for federal disaster operations, direction, coordination, and information.

**Large Project:** An approved project estimated to cost the same as or more than the large project threshold amount. The large project threshold is a dollar amount adjusted annually to reflect changes in the Consumer Price Index for all urban consumers. The large project threshold amount, applicable to all projects, is the amount in effect on the declaration date of the disaster, regardless of when project approval is made or when the work is performed.

**Management Costs:** Management costs are any indirect costs, any direct administrative costs, and any other administrative expenses associated with the administration of HMA awards and subawards. Management costs are provided under HMGP, HMGP Post Fire, BRIC and FMA. For the Hazard Mitigation Grant Program (HMGP) and Hazard Mitigation Grant Program Post Fire (HMGP Post Fire), recipients will be reimbursed no more than 15% of the total amount of the award, of which not more than 10% may be used by the recipient and 5% by the subrecipient. Under HMGP and HMGP Post Fire, recipients' Administrative Plans must include procedures for monitoring and reporting on subrecipient management costs before receiving funding for management costs. For Building Resilient Infrastructure and Communities (BRIC) and Flood Mitigation Assistance (FMA), recipients may apply for a maximum of 10% of the total funds requested in their application cost estimate (federal and non-federal shares) for management costs to support the sub-applications included as part of their award. Subapplicants for BRIC and FMA may apply for a maximum of 5% of the total funds requested in a sub-application for management costs. Additional information is available in FEMA Policy #104-11-1, Hazard Mitigation Grant Program Management Costs (Interim).

**Pass-through Entity:** A non-federal entity that provides a subaward to a sub-recipient to carry out part of a federal program. 2 C.F.R. 200.1 Pass through entity (PTE).

**Performance Period for Hazard Mitigation Assistance:** The period of time stipulated in the Sub-recipient Grant Agreement, as amended, during which the sub-recipient must finish the approved work. Projects completed after the active Period of Performance deadline will be considered ineligible.

**Quarterly Financial Progress Report:** The information in this report is used by NMDHSEM to monitor sub-recipient cash flow, performance, and project implementation to ensure proper use of federal funds.

**Recipient:** Formally referred to as the grantee or sub-grantee or applicant. Federally Recognized Indian Tribal Governments may also be Recipients if they so desire and if they meet FEMA requirements.

**Recovery Officer:** Aids in the administration of disaster recovery grant programs for statewide disasters and emergencies. Coordinates and co-administers disaster recovery grant programs, ensuring that they are implemented and carried out according to state and federal program requirements.

**Recovery Unit:** This is the unit within the NMDHSEM Response and Recovery Bureau designated as responsible for the programmatic administration of the FEMA PA and FMAG Programs.

**Recovery Unit Manager:** Responsible for administering and supervising staff responsible for federal and state disaster recovery programs and serves as the Deputy State Coordinating Officer (SCO) for emergencies or major disaster declarations.

**Response & Recovery Bureau Chief:** Responsible for supervising staff responsible for federal and state disaster recovery programs and staff that provides operational response capabilities to support the citizens of New Mexico. This position also serves as State Coordinating Officer (SCO) for emergencies or major disaster declarations.

**Request for Approval Form:** Used by sub-recipient to request approval from NMDHSEM to expend funds for previously identified and approved projects. Approval must be received prior to expenditure.

**Small Project:** An approved project estimated to cost less than the large project threshold amount.

**State Coordinating Officer (SCO):** The person designated by the Governor to coordinate state and local disaster assistance efforts with those of the federal government. The GAR may also be the SCO. The Governor will name the GAR and the SCO in the FEMA/State Agreement.

**Sub-recipient:** Formally referred to as the sub-grantee or applicant, is a state agency, local government, tribal government, other legal governmental entity, or a private non-profit (PNP) organization that receives a sub-grant award and which is accountable to the state for the use of the funds provided. The FEMA reserves the final decision as to sub-recipient eligibility.

**Supplanting:** When a state or unit of local government reduces state or local funds for an activity specifically because federal funds are available (or expected to be available) to fund that same activity. When supplanting is not permitted, federal funds must be used to **supplement** existing state or local funds for program activities and may not replace state or local funds that have been appropriated or allocated for the same purpose. Additionally, federal funding may not replace state or local funding that is required by law. If a question of supplanting arises, the sub-recipient or grantee will be required to substantiate that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds. US Department of Justice Office of Justice Programs, Grants 101.

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## **ATTACHMENT 4**

### **Acronyms**

**AEL:** Authorized Equipment List  
**AGAR:** Alternate Governor's Authorized Representative  
**ASB:** Administrative Services Bureau of NMDHSEM  
**CFDA:** Catalog of Federal Domestic Assistance  
**DAC:** Direct Administrative Costs  
**DOT:** Department of Transportation  
**DPS:** Department of Public Safety  
**DRRA:** Disaster Recovery Reform Act of 2018  
**DSCO:** Deputy State Coordinating Officer  
**DSIBD:** Deputy State Infrastructure Branch Director  
**DSPAGS:** Deputy State Public Assistance Group Supervisor  
**EMAC:** Emergency Management Assistance Compact  
**EMMIE:** Emergency Management Mission Integrated Environment  
**EMNRD:** Energy, Minerals and Natural Resources Department  
**FEMA:** Federal Emergency Management Agency  
**FFATA:** Federal Funding Accountability and Transparency Act  
**FMAG:** Fire Management Assistance Grant  
**GAR:** Governor's Authorized Representative  
**IMAS:** Intrastate Mutual Aid System  
**INF:** Immediate Needs Funding  
**IOF:** Initial Operating Facility  
**JFO:** Joint Field Office  
**NSPO:** Net Small Project Overrun  
**NMDHSEM:** New Mexico Department of Homeland Security and Emergency Management  
**ONA:** Other Needs Assistance  
**OMB:** Office of Management and Budget  
**PA:** Public Assistance  
**PAGS:** Public Assistance Group Supervisor  
**PAPPG:** Public Assistance Program and Policy Guide  
**PDA:** Preliminary Damage Assessment  
**PDMG:** Program Delivery Manager  
**PIO:** Public Information Officer  
**PNP:** Private Non-Profit  
**POP:** Period of Performance  
**PW:** Project Worksheet  
**QPR:** Quarterly Progress Report  
**QFR:** Quarterly Financial Report  
**R&R:** Response & Recovery Bureau  
**REC:** Record of Environmental Consideration  
**RO:** Recovery Officer  
**RP A:** Request for Public Assistance  
**SCO:** State Coordinating Officer

**SOW:** Scope of Work

**SHARE:** New Mexico Statewide Human Resources, Accounting, and Management Reporting System

**SIBD:** State Infrastructure Branch Director

**SPAGS:** State Public Assistance Group Supervisor

**SPAO:** State Public Assistance Officer

**USDHS:** United States Department of Homeland Security

**USFS:** US Forest Service

**VFO:** Virtual Field Office

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Michelle Lujan Grisham  
Governor

Ali Rye  
Deputy Cabinet Secretary

Major General Miguel Aguilar  
Interim Cabinet Secretary

Randy Varela  
State Fire Marshal

**DEPARTMENT OF HOMELAND SECURITY  
AND EMERGENCY MANAGEMENT**

**New Mexico Hazard Mitigation Assistance  
Sub-Grant Orientation Guidelines**

**Acknowledgment**

My signature below is in agreement that I have reviewed the content of this Hazard Mitigation Assistance Sub-Grant Orientation packet with the DHSEM representative named below.

Sub Recipient:

\_\_\_\_\_

Signature: \_\_\_\_\_

Name (printed): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

DHSEM Representative:

Signature: \_\_\_\_\_

Name (printed): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



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## DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

### New Mexico Hazard Mitigation Assistance Sub-Grant Orientation Guidelines

This document outlines the general requirements to implement your DHSEM Mitigation Sub-Grant Agreement. All requirements must be met. Subrecipients have the final legal and financial responsibility for the awarded funding, locally maintained sub-grant files, the timely submission of reports, and compliance with DHSEM guidelines. Below is a summary to assist in maintaining sub-grant compliance.

#### 1. **READ THE SUBGRANT**

We encourage the Sub Recipient to read the entire Sub-Grant Agreement before signature. There are programmatic, financial, and legal aspects to the Agreement. Signatures from the Sub Recipient constitute concurrence with all aspects of the Agreement.

#### 2. **PRE-AWARD COST**

Pre-award costs are those incurred by the sub-recipient between the effective date of the grant application period and the FEMA award date (or as specifically identified in the Grant Notice of Funding Opportunity). They must be included in the total project cost, reflected in the benefit-cost analysis (when one is required), and specifically identified in the application budget. Upon approval of the project, these costs are eligible for reimbursement. Pre-award costs can also be counted as part of the non-federal match requirement.

#### 3. **SUB-GRANT EXECUTION PRIOR TO WORK**

The Sub-Grant Agreement must be executed before any vendor procurement / work on the project begins, or reimbursements are requested. The Sub Recipient must follow all requirements of the Sub-Grant Agreement.

#### 4. **REPORTING AND RECORDKEEPING**

The Sub Recipient should review each major activity before the start of the project to determine what federal, state, tribal, or local requirements may apply. Record-keeping is necessary to meet all requirements of the Sub-Grant Agreement, including federal, state, tribal, local, and program requirements.

#### 5. **QUARTERLY REPORTS**

##### **Quarterly Performance Reports**

The *Quarterly Performance Report (QPR)* is a short narrative of all project activities that occurred within the specific quarter, reported on a DHSEM standard form. The QPR is due each quarter regardless of progress and should include any accomplishments or reasons for delay. Mitigation Program staff will provide comments, approve the QPR, and return a "State Approved" version for the Sub Recipient's records. Please contact [DHSEM.Mitigation@dhsem.nm.gov](mailto:DHSEM.Mitigation@dhsem.nm.gov) with any questions about the State comments.



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AND EMERGENCY MANAGEMENT**

**Quarterly Financial Reports**

The *Quarterly Financial Report (QFR)* is also due each quarter. The QFR is a record of all expenditures that have occurred during the specific quarter and includes cumulative financial reporting from the start of the Sub-Grant Agreement. DHSEM uses the information to monitor compliance.

Submit both completed quarterly reports to your sub-grant analyst no later than the 15th day of the month following the end of each quarter. Quarterly reports are required, beginning with the FEMA award and extending to close out. This is the Sub-Grant Period of Performance.

Quarter	Reports for Months	Due On
1 <sup>st</sup>	October – December	January 15 <sup>th</sup>
2 <sup>nd</sup>	January – March	April 15 <sup>th</sup>
3 <sup>rd</sup>	April – June	July 15 <sup>th</sup>
4 <sup>th</sup>	July – September	October 15 <sup>th</sup>

**6. PROCUREMENT AND CONTRACTS**

All applicable federal, state, tribal, and local laws must be followed during procurement. DHSEM must approve all procurement documentation before contract execution. See the attached *Procurement Guidance* for additional information. Please note that although contracts can exceed the expiration of the Sub-Grant Agreement, only work that takes place within the Sub-Grant Period of Performance is eligible for reimbursement.

**7. REIMBURSEMENTS**

Reimbursements are made based on eligible and properly documented costs. All reimbursement requests must be accompanied by supporting documentation for all eligible charges. This may include copies of invoices, purchase orders, timesheets, certified payroll reports, proof of payment, contracts, etc. No reimbursement will be approved until all quarterly reports are current and the Sub Recipient complies with all requirements.

Each reimbursement request must include non-federal matching funds documentation that meets the minimum percentage required by the Sub-Grant Agreement. If more than the required percentage is reported, this “over-match” can be requested for reimbursement.

All reimbursement requests must be accompanied by a break-out of expenditures using the same line items approved by FEMA (see *RFR Template*). The federal share and non-federal match for each line item must be identified (amount approved, amount previously expended, amount expended for this request for reimbursement, and amount remaining).



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Confirmation of completed work is required to be submitted with the request for reimbursement and may be emailed. For construction projects, site visits may be required to approve reimbursement requests. Please note: Approving payments to third-party contractors indicates that you approve of the quality of work. If the work product does not meet the requirements of the executed third-party contract and Sub-grant Agreement, the Sub-grantee will not be reimbursed.

**The final 15% of the federal share will not be reimbursed until DHSEM confirms all Scope of Work activities are complete and final deliverables have been provided.**

Reimbursement requests are due quarterly (but can be done monthly) and are due no later than the 15<sup>th</sup> of the month following the close of the quarter. If there were no expenditures during the quarter, an explanation must be remitted to your sub-grant analyst by the 15<sup>th</sup> of the month following the close of the quarter.

### **8. SITE VISITS/PROJECT MONITORING**

DHSEM will determine the number of site visits needed for each project based on the plan or construction activity and requests for on-site technical assistance. At a minimum, the Mitigation Program staff will conduct a Post Award Orientation Meeting and construction project site visits.

- **Photograph Requirement** - All land disturbance project sites require before and after photographs. Photographs are required from each direction (north, south, east, and west). These photographs should be labeled 'Pre-Construction' and 'Post-Construction' or similar.
- **Initial Site Visit** - Once the Sub-grant Agreement has been executed, DHSEM will schedule a Post Award Orientation (Kickoff) meeting or conference call to discuss the sub-grant requirements with the Sub-grantee.
- **50% Construction Site Visit** (if required) - Once a construction-related project is 50% complete, the Sub Recipient should request a site visit to verify the project's progress based on the programmatic requirements and the Scope of Work. Approval of reimbursement is dependent on confirming the 50% construction completion.
- **100% Construction Site Visit** (if required) - Once a construction-related project is complete, the Sub Recipient should request a site visit to verify the completion of the project based on the programmatic requirements, Scope of Work, and budget. Approval of reimbursement is dependent on confirming 100% construction completion.

### **9. BUDGET AND SCOPE OF WORK REVISIONS**

The *Sub-Grant Modification Request Form* must be submitted with detailed explanations to address any changes affecting the overall project scope or budget. It takes approximately 30 days for DHSEM to process the complete formal request. FEMA approval may take longer, depending on the extent of the change. Requests should be made as soon as the need has been identified.

A Scope of Work revision is needed when any alterations are made to the proposed project or plan (match source, sizes or locations of land disturbance projects, level of protection specified in



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## **DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT**

the design, additional contract work, etc.). Any changes in the original Scope of Work may trigger a re-evaluation of eligibility, benefit-cost ratio, or environmental compliance.

A Budget Revision must be submitted to DHSEM with a revised cost estimate and an original budget with annotations clearly showing the modifications. Any supporting documentation must accompany this.

A budget revision is necessary:

1. for a non-construction project
  - if there is more than a 10% change in the budget (based on total project cost) in any direct cost category, FEMA must pre-approve the modification or
  - if additional funds are needed to complete the project.
2. for a construction project
  - if additional funds are needed to complete the project or
  - if there are any changes to line items.
3. if there are changes to the match source or
4. if all associated costs were not identified in the original application.

### **10. SUB-GRANT EXTENSION**

An extension of the Sub-Grant Period of Performance must be requested 60 days prior to the expiration of the Sub-Grant Agreement. A modified schedule reflecting the project's entire life and extending to the proposed expiration date must be submitted with the complete *Sub-Grant Modification Request Form*. DHSEM will review the justification and notify the Sub-grantee of approval or denial.

### **11. CLOSE OUT**

DHSEM will initiate close-out after all Scope of Work tasks have been completed, DHSEM has approved all deliverables, all quarterly reports are up-to-date, and final reimbursement has been made (see *Sub-Grant Close Out Checklist*). The Sub Recipient will sign a *Grant Adjustment Notice* to confirm the remaining amount of federal funding and match to be de-obligated. The Sub Recipient will also sign a Certification of Completion agreeing that all federal, state, tribal, and local regulations have been followed. DHSEM will submit the materials to FEMA for processing. All documentation must be completed within 45 days after the Sub-Grant Period of Performance expires.

Other close-out documentation may be required on a case-by-case basis, including an Operation and Maintenance Plan, a certification that there was no Duplication of Benefits or Programs or a response to the Record of Environmental Considerations.



**STATE OF NEW MEXICO  
DEPARTMENT OF HOMELAND SECURITY & EMERGENCY MANAGEMENT**



**Mitigation Program Quarterly Performance Report (QPR)**

SUB-RECIPIENT NAME & ADDRESS		GRANT NUMBER		REPORTING PERIOD		PERCENT COMPLETE
		PROJECT TITLE		FROM:		
				TO:		
		REPORT TYPE :		Quarterly		
GRANT PROGRAM		TOTAL AWARD (FED, NON-FED, & SRMC)	COST SHARE MATCH			
			25% NON-FEDERAL MATCH			
NAME/TITLE OF PROJECT MANAGER		SIGNATURE OF PROJECT MANAGER			DATE	

**Narrative Report (attach additional sheets if necessary):**

**Problems/Delays Encountered and Reasons Why:**

**DHSEM USE ONLY BEYOND THIS LINE**

**DHSEM Signature:**

**STATE OF NEW MEXICO  
DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT**

**QUARTERLY FINANCIAL PROGRESS REPORT**

The information in this report will be used by the grantor agency to monitor grantee cash flow, grantee performance and project implementation to ensure proper use of Federal funds. No further monies or other benefits may be paid out under this program unless this report is completed and filed as required. All reimbursement requests must be accompanied by supporting documentation such as copies of invoices, delivery receipts, timesheets, certified payroll reports, warrants, contracts, etc.

SUB-RECIPIENT NAME & ADDRESS		GRANT NUMBER		REPORTING PERIOD		
		PROJECT TITLE		FROM:		
				TO:		
				REPORT TYPE :	CHOOSE ONE	
GRANT PROGRAM		TOTAL AWARD (FED, NON-FED, & SRMC)	COST SHARE MATCH			
			CHOOSE ONE			
NAME/TITLE OF PROJECT MANAGER		SIGNATURE OF PROJECT MANAGER			DATE	

BUDGET TABLE							
	<<Cost Category>>	<<Cost Category>>	<<Cost Category>>	<<Cost Category>>	<<Cost Category>>	<<Cost Category>>	<<Cost Category>>
<b>Total Grant Award Amount</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Previously Reported Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Reimbursement Requested To Date</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Payments Received To Date</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures This Quarter</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Reimbursement Requested This Quarter</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Local Match</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Grant Amount Remaining</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CERTIFICATION BY GRANTEE:** I certify that the financial expenditures submitted for reimbursement with this report, including supporting documentation, are eligible, and allowable expenditures consistent with the project goals and objectives and grant guidance, have not been previously requested, and that payment is due.

SIGNATURE OF SUB-RECIPIENT FINANCIAL REPRESENTATIVE	DATE

**DHSEM USE ONLY BEYOND THIS LINE**

DHSEM Signature:



**NEW MEXICO DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT  
REQUEST FOR REIMBURSEMENT (DHSEM INVOICE)**



TYPE OF GRANT: **Mitigation**

Check Adjacent Box if this is an Advance Payment

SUB-RECIPIENT INFORMATION	
<i>*Exactly as specified on Sub-Grant Agreement</i>	
A.	Sub-Grant No.: _____
B.	Sub Grant POP: _____
C.	Sub-Recipient's Name: _____
D.	Address: _____
E.	Contact: _____
F.	Phone: _____
G.	Email: _____
H.	SHARE ID: _____

RFR INFORMATION
Date: _____
Qtr End Date: _____
Invoice #: _____
Partial Payment Amount: \$ _____
<b>Final Payment Amount: \$ _____</b>
REMIT TO ADDRESS: _____
(Must correspond with w-9 on file)
_____
_____

FOR DHSEM USE ONLY	
P.O. Number: _____	
P.O. Line Item Numbers: _____	
Payment: <input type="checkbox"/> Final <input type="checkbox"/> Partial	
Quarterly Reports Current: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Sub-Grant Analyst Reviewed: _____	Date: _____
Voucher Number: _____	Amount: \$ _____
Financial Specialist Review: _____	Date: _____
PROGRAM REVIEW	
<i>The aforementioned Jurisdiction has met all programmatic performance requirements, has no outstanding compliance issues, and the expenses related to this request are allowable under this grant and sub-grant.</i>	
Signature: _____	Date: _____

PROJECT / CATEGORIES	APPROVED BUDGET		RFR AMOUNT <i>(This Request)</i>		RFR THIS AMOUNT TO DATE <i>(Not including This Request)</i>		REMAINING BALANCE	
	FEDERAL SHARE	MATCH SHARE	FEDERAL SHARE	MATCH SHARE	FEDERAL SHARE	MATCH SHARE	FEDERAL SHARE	MATCH SHARE
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SUB-RECIPIENT CERTIFICATION	
I, _____ do hereby certify: 1) the information on this invoice is true and correct; 2) the expenses are allowable under the grant and sub-grant; 3) the match requirement has been met; and 4) the attached back-up documentation is valid.	
Sub-Grantee Representative (signature): _____	Date: _____
I, _____, certify this invoice and it's backup documentation has been reviewed and the expenses are allowable and in compliance with grant and sub-grant requirements.	
Sub-Grantee Fiscal Officer (signature): _____	Date: _____
FOR DHSEM USE ONLY	
I, _____, certify this invoice and it's backup documentation has been reviewed and the expenses are allowable and in compliance with grant and sub-grant requirements.	
DHSEM Sub-Grant Analyst (signature): _____	Date: _____
DHSEM Grant Analyst/Manager (signature): _____	Date: _____



# New Mexico DHSEM RFP/ITB Procurement Review Checklist

Sub-Grant #: \_\_\_\_\_

Sub-Recipient: \_\_\_\_\_

Mitigation Specialist: \_\_\_\_\_

Requested Date: \_\_\_\_\_

## Proposals Checklist with Required Support Documentation

For more information on small purchases, see [2 C.F.R. § 200.320\(b\)\(2\)](#).  
**Note:** If you respond “no” to any of the questions below, your procurement may not be in compliance with the federal procurement standards. It is recommended that you visit the [Purchasing Under a FEMA Award Resource Library](#) for assistance with compliance matters.

Requirement	Supporting Documentation
Did you follow Internal Policy, Non-Federal Procurement Requirements, and State Procurement Code? See <a href="#">2 C.F.R. § 200.318</a> .  Yes <input type="checkbox"/> No <input type="checkbox"/>	Local policy and procedures or governing policy of how to conduct procurement. <input type="checkbox"/>
Was this procurement done through an RFP/ITB? See <a href="#">2 C.F.R. § 200.319</a> .  Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	RFP/ITB solicitation: <input type="checkbox"/> Does the solicitation include non-state federal provisions? See <a href="#">2 C.F.R. § 200.318-200.327</a> Yes <input type="checkbox"/> No <input type="checkbox"/>
Was this Procurement a Small Purchase? <b>Over 20k and Under 60k. State Threshold.</b> See <a href="#">2 C.F.R. § 200.320</a> .  Yes <input type="checkbox"/> No <input type="checkbox"/>	(3) Quotes for price comparison. Justification if going with the higher bidder. <input type="checkbox"/>  SAM Check <input type="checkbox"/>

<p>If contract price exceeds \$250,000, was an independent cost estimate completed before issuing the RFP? See <a href="#">2 C.F.R. § 200.324(a)</a>.</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Evidence of Market Research <input type="checkbox"/></p> <p>Historical Data <input type="checkbox"/></p> <p>Other: <input type="checkbox"/></p>
<p>Does your organization maintain records sufficient to detail the history of a procurement? See <a href="#">2 C.F.R. § 200.318(i)</a>.</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>Review your organization's procurement file and records for:</p> <p>Rationale for the method of procurement; <input type="checkbox"/></p> <p>Selection of the contract type; <input type="checkbox"/></p> <p>Contractor selection or rejection; and <input type="checkbox"/></p> <p>Basis for contract price. <input type="checkbox"/></p> <p><b>Note:</b> Contract document must include any contract modifications with signatures (or acceptance) by all parties.</p>
<p>Did your organization document its rationale for contractor selection or rejection? See <a href="#">2 C.F.R. § 200.318(i)</a>.</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>Check for procurement file for:</p> <p>Scope of Work; <input type="checkbox"/></p> <p>List of sources solicited; and <input type="checkbox"/></p> <p>Copies of bid, performance, payment, and other documents. <input type="checkbox"/></p>
<p>Did your organization enter into a Time and Materials (T&amp;M) Contract?</p> <p><b>Note:</b> If your organization did not enter into a T&amp;M contract this question can be skipped. For more information on T&amp;M contracts see <a href="#">Chapter 3, Section 2 of the PDAT Field Manual</a>.</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>Review T&amp;M contracts documents for:</p> <p>Justification explanation of why a T&amp;M contract was the only suitable contract type; <input type="checkbox"/></p> <p>A contract ceiling price (that the contractor exceeds at own risk) clearly defined in the contract; <input type="checkbox"/></p> <p>How your organization maintained a high degree of oversight of this contract type (including daily or weekly logs, records of performance meetings, etc.); and <input type="checkbox"/></p> <p>A transition to a more appropriate contract type as soon as possible (if applicable). <input type="checkbox"/></p>

<p>Does the RFP contain a clear and accurate description of the technical requirements?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>RFP <input type="checkbox"/></p>
<p>Does the RFP identify all evaluation factors and their relative importance, with price as one of the factors? See <a href="#">2 C.F.R. § 200.320(b)(2)(iii)</a>.</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>RFP <input type="checkbox"/></p> <p>Other: _____</p>
<p>Did your organization publicly advertise the RFP? See <a href="#">2 C.F.R. § 200.320(b)(2)(i)</a>.</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>Advertisement <input type="checkbox"/></p>
<p>Did your organization solicit enough proposals from an adequate number of qualified offerors to satisfy the full an open competition requirement? See <a href="#">2 C.F.R. § 200.320(b)(2)(i)</a>.</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>Indicate the number you determine to be an adequate number of qualified offerors: _____</p>
<p>If contract price exceeds \$250,000, was a price or cost analysis conducted after receiving proposals? See <a href="#">2 C.F.R. § 200.324(a)</a>.</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Bid Tabulation <input type="checkbox"/></p> <p>Cost Analysis <input type="checkbox"/></p>
<p>Did you ensure you did not enter into a cost plus a percentage of cost contract type? Cost-plus-percentage-of-cost (CPPC) contracts are prohibited by the federal procurement rules. See <a href="#">2 C.F.R. § 200.324(d)</a>.</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>Review the below to ensure they do not contain elements of CPPC contracts:</p> <p>Contract <input type="checkbox"/></p> <p>Pricing schedule <input type="checkbox"/></p>
<p>If the contract exceeds \$250,000 and for construction or facility improvement work, does the solicitation outline and require all applicable federal bonding requirements?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p> <p>See <a href="#">2 C.F.R. § 200.326</a> for additional information.</p>	<p>Bond Certificates <input type="checkbox"/></p>

Reviewer Signature:

Date:

Project Manager Signature

Date:



<p>If the contract exceeds \$10,000, did your organization include a <a href="#">Termination for Cause and Convenience</a> clause?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document.</p> <p>Pg.: _____</p>
<p>If the contract is for construction work, did your organization include the required <a href="#">Equal Employment Opportunity</a> clause?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document.</p> <p>Pg.: _____</p>
<p>If the contract is for construction work and more than \$2,000, did your organization include the required <a href="#">Davis-Bacon Act</a> Clause?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p><b>Note:</b> This clause <b>only</b> applies to the <a href="#">EMPG</a>, <a href="#">HSGP</a>, <a href="#">NSGP</a>, <a href="#">THSGP</a>, <a href="#">PSGP</a>, <a href="#">IPR</a>, <a href="#">HHPD</a>, and <a href="#">TSGP</a>.</p> <p>N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document.</p> <p>Pg.: _____</p>
<p>If the contract is for construction or repair work more than \$2,000, did your organization include the required <a href="#">Copeland Anti-Kickback Act</a> Clause?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p><b>Note:</b> This clause is <b>only</b> required in situations where the Davis Bacon Act also applies.</p> <p>N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document.</p> <p>Pg.: _____</p>
<p>If the contract meets the definition of “funding agreement”, did your organization include the required <a href="#">Rights to Inventions Made Under a Contract or Agreement</a> clause?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p><b>Note:</b> This clause is <b>not</b> required under the <a href="#">PA</a>, <a href="#">HMGP</a>, <a href="#">FMAG</a>, <a href="#">CCP</a>, <a href="#">DCM</a> or <a href="#">IHP-ONA</a> programs, as FEMA Awards under these programs do not meet the definition of “funding agreement”.</p> <p>N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document.</p> <p>Pg.: _____</p>
<p>If the contract involves the employment of mechanics or laborers, and exceeds \$100,000, did your organization include the required <a href="#">Contract Work Hours and Safety Standards Act</a> clause?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document.</p> <p>Pg.: _____</p>
<p>If the contract exceeds \$150,000, did your organization include a <a href="#">Clean Air Act</a> clause?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document.</p> <p>Pg.: _____</p>
<p>If the contract exceeds \$150,000, did your organization include a <a href="#">Federal Water Pollution Control Act</a> clause?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document.</p> <p>Pg.: _____</p>

<p>If the contract exceeds \$25,000, did your organization include a <a href="#">Suspension and Debarment</a> clause? See <a href="#">2 C.F.R. § 180</a> for additional requirements.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document. Pg.: _____</p>
<p>If the contract is in excess of \$100,000, did your organization include the required clause and <a href="#">Byrd Anti-Lobbying Certification</a> to be signed and filed by the contractor?</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document. Pg.: _____</p>
<p>Did your organization include a <a href="#">Recovered Materials</a> clause? See <a href="#">2 C.F.R. § 200.323</a>. <b>Note:</b> This clause is only applicable to state agencies and political subdivisions of a state.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document. Pg.: _____</p>
<p>Did your organization include a clause restricting use of covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system? See <a href="#">2 C.F.R. § 200.216</a> for additional requirements.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document. Pg.: _____</p>
<p>If the contract is for the purchase of goods, materials, or products, did your organization include a domestic preference clause? See <a href="#">2 C.F.R. § 200.322</a>.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>	<p>Indicate the page number where a FEMA representative can locate the clause in contract document. Pg.: _____</p>
<p>Did your organization consider including the FEMA recommended provisions outlined in <a href="#">PDAT's Contract Provision's Guide</a>? <b>Note:</b> This is not a requirement and contracts will not be deemed noncompliant for failure to include these provisions.</p>		
<p><b>Socioeconomic Affirmative Steps Requirements</b></p>		<p><b>Supporting Documentation</b></p>
<p><b>Note:</b> NFEs must, at a minimum, take the following six “affirmative steps” to assure that target firms are used when possible. Target firms are minority firms, small businesses, women’s business enterprises, and Labor Surplus Areas (LSA) firms. See <a href="#">2 C.F.R. § 200.321</a>.</p>		
<p>Were target firms included on your organization’s solicitation lists?</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>	<p>Procurement File includes prequalified lists or solicitation lists which include target firms <input type="checkbox"/> <b>Note:</b> NFEs can use SBA, MBDA, or similar resources to develop these lists.</p>

<p>Were target firms solicited whenever they were potential sources?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Procurement File includes documentation demonstrating direct solicitation to target firms <input type="checkbox"/></p> <p>Ex: Proof of communication and solicitation (i.e., call Notes, emails, etc.)</p>
<p>Did your organization divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by target firms?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Review contract documents that demonstrate compliance with dividing requirements or procurements or justification of why this was not feasible. <input type="checkbox"/></p>
<p>Did your organization establish delivery schedules, where the requirement permits, which encourage participation by target firms?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Review contract documents that demonstrate compliance with establishing delivery schedules or justification of why this was not feasible. <input type="checkbox"/></p>
<p>Did your organization use the services and assistance, as appropriate, of such organizations as the Small Business Administration (SBA) and the Minority Business Development Agency (MBDA) of the U.S. Department of Commerce?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>Search results on SBA and MBDA websites <input type="checkbox"/></p> <p>Search results from state databases for target firms <input type="checkbox"/></p> <p>See <a href="#">FEMA's Fact Sheet on Utilizing SBA Resources</a> for more assistance on complying with this requirement.</p>
<p>Did your organization require prime contractors that award subcontracts, to also take the steps listed in the five previous boxes above?</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>FEMA recommends that NFEs include a contract clause requiring prime contractors to take previous five affirmative steps. See <a href="#">PDAT Contract Provisions Guide</a>. <input type="checkbox"/></p>
<p><b>Competition Requirements</b></p>	
<p>For more information on competition requirements see <a href="#">2 C.F.R. § 200.319</a>.</p>	
<p>Did you ensure that your non-state entity didn't restrict competition by having unreasonable requirements. Examples of this include:</p> <ul style="list-style-type: none"> <li>• Solicitation documents must reflect actual needs and not place unreasonable requirements on firms to qualify to do business.</li> <li>• Unnecessary levels or years of experience for contractors to do business must not be required.</li> <li>• Excessive bonding increases the costs incurred by the contractor and limits the opportunity for target firms to compete for a contract under a FEMA award.</li> <li>• Specifying only a "brand name" product instead of allowing an "equivalent" or "compatible"</li> </ul> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>Review the following solicitation and advertising documents to include to determine if the non-state entity restricted competition by setting parameters or evaluation factors determined to be unreasonable and therefore restrictive of competition.</p> <p>Request for Proposal (RFP) <input type="checkbox"/></p> <p>Invitation for Bid (IFB) <input type="checkbox"/></p> <p>Request for Quote (RFQ) <input type="checkbox"/></p>

<p>product. See <a href="#">2 C.F.R. § 200.319(b)</a>.</p>	<p>Advertisements <input type="checkbox"/> Other: (ex: bonds, evaluations, scoring, etc.) <input type="checkbox"/></p>
<p>Did you ensure that your non- state entities didn't use geographic preference in evaluating bids or proposals. There are four exceptions to the prohibition for the use of geographic preferences:</p> <ul style="list-style-type: none"> <li>• State licensing requirements;</li> <li>• Architectural and engineering contracts;</li> <li>• Mandated by federal law; and</li> <li>• Indian Self-Determination and Education Assistance Act.</li> </ul> <p>See <a href="#">2 C.F.R. § 200.319(c)</a>.</p>	<p>Review your non-state entity's solicitation documents to ensure they did not use geographic preference in the evaluation of bids or proposals. Ensure the following common forms of prohibited geographic preference are excluded from solicitation documents or evaluation:</p> <p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>Exclusion of contractors from outside a geographic area; <input type="checkbox"/></p> <p>Allowing price matching from a local vendor; <input type="checkbox"/></p> <p>Reducing the bids submitted by local businesses; <input type="checkbox"/></p> <p>Adding point or percentage weight to evaluation factors; and <input type="checkbox"/></p> <p>Set aside contracts only for resident companies. <input type="checkbox"/></p>

Reviewer Signature:

Date:

Project Manager Signature

Date:



## New Mexico DHSEM Mitigation Section Procurement Sign Off Form

Sub-Grant #: \_\_\_\_\_

Sub-Recipient: \_\_\_\_\_

Mitigation Specialist: \_\_\_\_\_

Sub-Grantee Submittal Date: \_\_\_\_\_

**The above reference Sub-Recipient has requested the attached procurement documents to be reviewed for compliance with procurement standards outlined in 2 CFR 200.318 through 200.327 as well as Appendix II to 2 CFR Part 200, (in referenced Agreement).  
Type of Review Requested:**

	<b>SOLICITATION</b>		
	Compliant – No deficiencies found		
	Deficiencies – Noted below		
	<b>CONTEMPLATED CONTRACT</b>		
	Compliant – No deficiencies found		
	Deficiencies – Noted below		

Date Procurement Office Received		Date Procurement Officer Reviewed	
Notes/Deficiencies:			

Reviewer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mitigation Specialist Signature: \_\_\_\_\_ Date: \_\_\_\_\_



# New Mexico DHSEM Mitigation Unit Programmatic Procurement Solicitation Review Form

**Sub-Grant #:**

**Sub-Recipient:**

**Project Title:**

**Mitigation Specialist:**

**Date:**

**The above-referenced Sub-Recipient has requested that the attached procurement documents be reviewed for compliance with the FEMA Approved Sub-Grant.**

	SOLICITATION	Yes	No
	The scope of work is clearly defined and in alignment with the approved project scope of work.	<input type="checkbox"/>	<input type="checkbox"/>
	Scope of Work sufficient for pre-award work (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>
	Deliverables are clearly identified and align with the FEMA Conditions of Approval.	<input type="checkbox"/>	<input type="checkbox"/>
	The payment Schedule and Funding amount are in alignment with the approved project budget.	<input type="checkbox"/>	<input type="checkbox"/>
	The length of the proposed contract does not exceed the Sub-Grant POP.	<input type="checkbox"/>	<input type="checkbox"/>
	Deficiencies – noted below	<input type="checkbox"/>	<input type="checkbox"/>
<b>Notes/Deficiencies on Solicitation:</b>			

\_\_\_\_\_  
DHSEM Mitigation Specialist Signature:

\_\_\_\_\_  
Date:

**The documents have completed the Mitigation Programmatic Review and have been submitted to the DHSEM Procurement Unit for compliance review in accordance with procurement standards outlined in 2 CFR 200.318 through 200.327 and Appendix II to 2 CFR Part 200.**

**Date Routed to DHSEM Procurement Unit:**



# New Mexico DHSEM Mitigation Unit Programmatic Procurement Contract Review Form

**Sub-Grant #:**

**Sub-Recipient:**

**Project Title:**

**Mitigation Specialist:**

**Date:**

**The above-referenced Sub-Recipient has requested that the attached procurement documents be reviewed for compliance with the FEMA Approved Sub-Grant.**

	CONTRACT	Yes	No
	The scope of work is clearly defined and in alignment with the approved project scope of work	<input type="checkbox"/>	<input type="checkbox"/>
	Scope of Work sufficient for pre-award work (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>
	Deliverables are clearly identified and align with the FEMA Conditions of Approval.	<input type="checkbox"/>	<input type="checkbox"/>
	The payment Schedule and Funding amount are in alignment with the approved project budget.	<input type="checkbox"/>	<input type="checkbox"/>
	The length of the contract does not exceed the Sub-Grant POP.	<input type="checkbox"/>	<input type="checkbox"/>
	Deficiencies – noted below	<input type="checkbox"/>	<input type="checkbox"/>
<b>Notes/Deficiencies on Contract:</b>			

\_\_\_\_\_  
DHSEM Mitigation Specialist Signature:

\_\_\_\_\_  
Date:

**The documents have completed the Mitigation Programmatic Review and have been submitted to the DHSEM Procurement Unit for compliance review in accordance with procurement standards outlined in 2 CFR 200.318 through 200.327 and Appendix II to 2 CFR Part 200.**

**Date Routed to DHSEM Procurement Unit:**



**STATE OF NEW MEXICO**  
**Department of Homeland Security and Emergency Management**

**SUB-GRANT MODIFICATION REQUEST**

1. SUBRECIPIENT NAME AND ADDRESS	2. SUB-GRANT NUMBER	3. MODIFICATION REQUEST #
4. TITLE OF PROJECT:	5. TOTAL AWARD AMOUNT	6. TOTAL AWARD AMOUNT <i>(if requesting increase)</i>
7. NAME AND TITLE OF PROJECT MANAGER	8. SIGNATURE OF PROJECT MANAGER	

9. EXTENSION JUSTIFICATION HERE

**A. This request is:**

- For additional time (Extension Request) please enter the new proposed Expiration Date
- For additional federal funds
- To increase the total project cost with over-matched local funds
- To modify budget line items
- To modify the FEMA Approved Scope of Work

**B. Explain in detail why the project was not completed under the original terms of the sub-grant agreement.**

**C. What steps have been taken to resolve the issues that led to this delay/change?**

**D. Explain the jurisdiction's need regarding the requested revision. If this request includes a modification to line-item totals, include a narrative of these changes.**

**E. Explain in detail how the jurisdiction will ensure that the project is completed by the sub-grant expiration date and identify the responsible point(s) of contact:**

**F. If requesting an extension of the Period of Performance**

I have attached a revised schedule that documents the FEMA approved SOW tasks from the date of FEMA award through the new proposed expiration.

**G. If requesting a modification to the budget complete the chart below.**

Break Down of New Award Costs:

	FEMA APPROVED		REQUESTED	
Total Award Amount		(PERCENT OF TOTAL)		(PERCENT OF TOTAL)
Federal Share				
State Share				
Local Share				
SRMC				

**H. If requesting a modification to the budget and/or scope of work please certify:**

All required attachments are included in this submission packet.

Approved  Denied

Program Manager Approval: \_\_\_\_\_

Date: \_\_\_\_\_

Request requires FEMA approval prior to DHSEM processing  YES  NO

Approved  Denied

Grants Manager Approval: \_\_\_\_\_

Date: \_\_\_\_\_



**STATE OF NEW MEXICO**  
**Department of Homeland Security and Emergency Management**

**REQUEST FOR BUDGET/PROJECT REVISION**

The information provided will be used by the grantor agency to monitor grantee performance and project implementation to ensure proper use of Federal funds. No further monies or other benefits may be paid out under this program unless this report is completed and filed on time as required. The Narrative Progress Report must support the expenditures in the Financial Progress Report.

<b>1. SUB-RECIPIENT NAME AND ADDRESS</b>	<b>2. SUB GRANT NUMBER</b>	<b>3. REQUEST NUMBER</b>
<b>4. SHORT TITLE OF PROJECT:</b> Use one form per program. Check appropriate box above.	<b>5. TOTAL AWARD AMOUNT-----NEW TOTAL AWARD AMOUNT</b>	
<b>6. NAME AND TITLE OF PROJECT MANAGER</b>	<b>7. SIGNATURE OF PROJECT MANAGER</b>	

**8. EXTENSION JUSTIFICATION HERE**

**1. Explain in detail the jurisdiction's need with regard to the requested revision:**

**2. Explain the category that the requested budget would apply toward. Breakdown the anticipated cost per project:**

**3. Explain in detail how the jurisdiction will ensure that the project is completed within the time frame allowed for project completion:**

**Break Down of New Award Costs:**

**Total Award Amount:**

**Federal Share:**

**State Share:**

**Local Share:**

Approved  Denied

State Hazard Mitigation Officer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approved  Denied

Grant Unit Manager Signature: \_\_\_\_\_ Date: \_\_\_\_\_



# New Mexico Department of Homeland Security and Emergency Management Mitigation Program

## PHASE I DELIVERABLES CHECKLIST

Depending on the details of your sub-grant, some or all of the following may be required to complete Phase I and request FEMA award of Phase II of the project.

- Completion of the EA process resulting in Environmental Compliance (REC or FONSI)
- Revised application or scope of work
  - Impacts from the Environmental Assessment have been accounted for.
- Revised Schedule – includes actual time spent by months and tasks completed under Phase I.
  - Accounts for Phase II Tasks.
- Revised Budget
  - Documents actual expenditures from Phase I.
  - Reallocates any remaining Phase I funds to Phase II.
- Updated SF 424 - Application for Federal Assistance
- Updated SF 424 C - Budget Information
- Updated Commitment Letter
- Revised Benefit-Cost Analysis (BCA)
- Construction bid ready engineering design
- H&H Study - Hydrologic and Hydraulic Study
- CLOMR - Conditional Letter of Map Revision
- Updated Maps
- Permits
- Strategic Funds Management waiver request
- Certification of no Duplication of Programs or Duplication of Benefits
- Delegation of Signature Authority
- Other: \_\_\_\_\_

---

**Form Received:** \_\_\_\_\_

**Packet Confirmed Complete by:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Risk Assessment Tool**

Subrecipient:	
Federal Award Identification Number(s):	
Grant Program(s):	
*Project Worksheets (PW) Numbers:	
PW/Subgrant Award Amount(s) Total:	
Risk Assessment Completed by:	
Date Completed:	

ID# for all open subgrants i.e., (EMW-20XX-UA-XXXX)  
 Grant Acronyms (SHSGP, EMPG, etc.)  
 FOR Recovery & Mitigation funding ONLY  
 Fill in the total amount of all open subrecipient's awards

Total Score: 0  
 Risk Assessment Level: Low Risk

**1. Amount of Funding Award - Answer "YES" to one of the following questions.**

	Yes/No	Risk Value
Is the total of the Subrecipient's Subawards Equal to or Less than \$250,000.00?		
Is the total of the Subrecipient's Subawards Between \$250,000.00 and \$1,000,000.00?		
Is the total of the Subrecipient's Subawards More than \$1,000,000.00?		
<b>Subtotal:</b>		0

**2. SAM.gov**

	Yes/No	Risk Value
a. Does the Subrecipient have an active SAM registration?		
b. Does the Subrecipient have Active Exclusion(s) Record(s) in SAM.gov? If "YES", the Entity is excluded from receiving certain types of federal financial assistance & benefits.		
<b>Subtotal:</b>		0

**3. Grant Complexity - Answer "YES" to one of the following questions.**

	Yes/No	Risk Value
a. Not Complex		
b. Slightly Complex		
c. Moderately Complex		
d. Highly Complex		
<b>Subtotal:</b>		0

**INSTRUCTIONS:** Rate the complexity of the grant programs. Programs with complex compliance requirements have a higher risk of non-compliance. Consider the complexity of ALL the subrecipient's open subgrants when making your determination of complexity. If none of the following statements applies, answer "YES" to Not Complex. If one applies, answer "Yes" to Slightly Complex; if two apply, answer "YES" to Moderately Complex. if three apply, answer "YES" to Highly Complex.

- Complex programmatic requirements and/or must adhere to regulations
- Various types of program reports are required
- Matching funds or Maintenance of Effort are required

**4. Single Audit Findings**

	Yes/No	Risk Value
a. Does the Subrecipient have a deficiency finding of Significant Deficiency for Internal Control over Financial Reporting in their last single audit?		
b. Does the Subrecipient have a deficiency finding of Material Weakness for Internal Control over Financial Reporting in their last single audit?		
d. Does the Subrecipient have a deficiency finding of Significant Deficiency for Internal Control over Major Federal Programs' Awards in their last single audit?		
c. Does the Subrecipient have a deficiency finding of Material Weakness for Internal Control over Major Federal Programs' Awards in their last single audit?		
<b>Subtotal:</b>		0

**INSTRUCTIONS:** Visit the Federal Audit Clearinghouse at <https://www.fac.gov/> to access Single Audit Reports for Subrecipients. Search for the Subrecipient's report(s) by entering the SAM UEI# or EIN#. Review the summary report. If there are no findings, save of the summary in the subrecipient's Reports folder. If there are findings, Click the SF-SAC link and go to the Audit Findings tab to identify the finding. FYI: 1) A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. 2) A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

**5. Other Sources of Risk**

	Yes/No	Risk Value
a. Is the Subrecipient receiving a subgrant award for the first time?		
b. Did the Subrecipient have a new or substantially changed systems or software packages, i.e. accounting, payroll, reporting, technology, administration?		
c. Did the Subrecipient experience turnover in key financial and/or programmatic staff within the past calendar year?		
<b>Subtotal:</b>		0

**6. Reports**

	Yes/No	Risk Value
a. Did the Subrecipient submit Financial Progress Reports on time for current grant awards?		
b. Did the Subrecipient submit Performance Progress Reports on time for current grant awards?		
<b>Subtotal:</b>		0

**7. Performance**

	Yes/No	Risk Value
a. Did the Subrecipient adhere to all the Terms and Conditions of their open subgrant awards?		
b. Did the Subrecipient fail to complete all approved projects identified in open subgrant agreements/budget worksheets due to extenuating circumstances?		
c. Did the Subrecipient fail to respond to requests for information or to complete corrective actions from previous risk assessments?		
<b>Subtotal:</b>		0

**8. Hazard Mitigation Grant Risks - Complete this section for Hazard Mitigation Assistance Grants ONLY**

	Yes/No	Risk Value
a. Is the Subrecipient a participating jurisdiction in a non-expired Hazard Mitigation Plan?		
b. Is the Subrecipient a participating jurisdiction in a Hazard Mitigation Plan that expires within 6 months?		
c. Did the sub-recipient elect Subrecipient Management Costs (SRMC)?		
d. Is the Mitigation Sub-Grant Phased?		
e. Is the Mitigation Sub-Grant a construction project?		
<b>Subtotal:</b>		0

**9. Eligibility Compliance - For SHSGP, EMPG, OPSG Grants ONLY**

	Yes/No	Risk Value
a. Is the Subrecipient compliant with NIMS requirements?		
b. Is the Subrecipient compliant with NQS requirements?		
c. Is the Subrecipient compliant with NIMS Training requirements?		
d. Does the Subrecipient have an Emergency Operations Plan (EOP) in keeping with the requirements of CPG 101?		
e. Does the Subrecipient have a Distribution Management Plan (DMP) Annex to the EOP?		
f. Does the Subrecipient have a current Integrated Preparedness Plan (IPP)?		
g. Is the Subrecipient compliant with THIRA/SPR Requirements?		
<b>Subtotal:</b>		0

Low = 0 - 85 Moderate = 86 - 170 High = 170 and higher Total Risk: 0

**Common Attributes of Grantees with Low, Moderate and High Risk**

**Low Risk - Most of the following attributes should be present to be considered low risk**

- ▶ entity has complied with the terms and conditions of prior grant awards.
- ▶ No known financial management problems or financial instability
- ▶ High quality programmatic performance
- ▶ No, or very insignificant, audit or other monitoring findings
- ▶ Timely and accurate financial and performance reports
- ▶ Program likely does not have complex compliance requirements
- ▶ entity has received some form of monitoring (e.g., single audit, on-site review, etc.)

**High Risk - One or more of the following attributes should be present to be considered high risk**

- ▶ History of unsatisfactory performance or failure to adhere to prior grant terms and conditions
- ▶ Financial management problems and/or instability; inadequate financial management system
- ▶ Program has highly complex compliance requirements
- ▶ Significant findings or questioned costs from prior audit
- ▶ Untimely, inadequate, inaccurate reports
- ▶ Recurring/unresolved issues
- ▶ Lack of contact with entity or any prior monitoring
- ▶ Large award amount

**Moderate Risk**

- ▶ Agencies that fall between low risk and high risk are considered moderate risk.



**New Mexico Department of Homeland Security and  
Emergency Management  
Mitigation Program**

**SUB-GRANT CLOSE OUT CHECKLIST**

Depending on the details of your sub-grant, the following may be required to close out the sub-grant agreement. The final 15% of the federal award **will not be reimbursed** until DHSEM confirms that the scope of work is complete and final deliverables have been provided.

**PLAN**

- FEMA Approval Pending Adoption Letter (APA)
- Adoption of the Plan by the participating entities
- Final FEMA Approval Letter
- All quarterly reports (financial and programmatic) submitted and correct for the entire SGA
- POP Quarterly reports (financial and programmatic) marked as FINAL
- Final Invoice
- Grant Adjustment Notice (GAN)\* signed by the sub-grantee and executed by DHSEM Deputy Cabinet Secretary or State Director
- Duplication of Benefits or Programs signed by the sub-grant analyst
- Current and Active SAM.GOV Registration
- Final Cost Breakdown
- Closeout and De-Obligation Request signed by DHSEM Program Manager
- Procurement (If Required)

**PROJECT**

- Final deliverables
- All quarterly reports (financial and programmatic) submitted and correct for the entire SGA POP
- Quarterly reports (financial and programmatic) marked as FINAL
- Final Invoice
- Grant Adjustment Notice (GAN)\* signed by the sub-grantee and executed by DHSEM Deputy Cabinet Secretary or State Director
- Duplication of Benefits or Programs signed by the sub-grant analyst
- Current and Active SAM.GOV Registration
- Final Cost Breakdown
- Closeout and De-Obligation Request Signed by DHSEM Program Manager
- Procurement (If Required)

**Construction and Land Disturbance**

- 100% inspection certified by the State
- Final as-built drawings
- Photos/Video verifying completion of the SOW. They must be clearly labeled with
  - sub-grant number
  - sub-grantee name
  - north, south, east, or west (one photo from each direction of each site is required)
  - ‘pre-construction’, ‘post-construction’ or similar; and
  - latitude and longitude on each photo.

Response to the Record of Environmental Considerations

Operation and Maintenance Plan certifying that the project will be maintained according to the plan for the lifetime of the project

*(If applicable)*

Confirmation that AW-501's (the NFIP Repetitive Loss Update Worksheet) has been submitted LOMR

Duplication of Benefits (DOB) signed by the sub-grant analyst

Current and Active Sub-Recipient SAM.Gov Registration

Final Cost Breakdown

Closeout and De-Obligation Request Signed by DHSEM Program Manager

Grant Adjustment Notice (GAN)\* signed by the sub-grantee and executed by DHSEM Deputy Cabinet Secretary or State Director

Procurement (If Required)

\*The Grant Adjustment Notice (GAN) is the final step required from the sub-grantee. The GAN will be issued by DHSEM once the final invoice has been approved for payment. It must be signed by the sub-grantee and executed by the DHSEM Cabinet Secretary.



**NEW MEXICO DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT**  
**GRANT ADJUSTMENT NOTICE (GAN)**

Date & Time Stamp:

Date \_\_\_\_\_  
 Name of Sub-Recipient \_\_\_\_\_  
 Physical Address \_\_\_\_\_  
 Supplier Number \_\_\_\_\_  
 Project (Worksheet) Title \_\_\_\_\_

Point of Contact \_\_\_\_\_  
 Sub-Grant Award Number \_\_\_\_\_  
 DHSEM Sub-Grant Analyst \_\_\_\_\_

**SECTION I. DEOBLIGATIONS & REOBLIGATIONS**

Total Award Amount			
Federal	State	Local	Total
	\$ -		

Total Expended Amount			
Federal	State	Local	Total
	\$ -		

Balance of Award			
Federal	State	Local	Total
\$ -	\$ -	\$ -	\$ -

Total Deobligation Amount			
Federal	State	Local	Total
	\$ -		

Total Remaining Amount			
Federal	State	Local	Total
\$ -	\$ -	\$ -	\$ -

**SECTION II. OTHER ADJUSTMENTS & INFORMATION**

The sub-grant agreement will officially close when the State Administrative Agency (SAA) completes the grant close out process. All documentation will be placed in the sub-recipient grant file.

**SECTION III. CERTIFICATION**

I certify that reported costs were incurred in performance of eligible work, that the approved work was completed, that the project is in compliance with the provisions of the FEMA/State Sub-Recipient Grant Award Agreement, all grant conditions were met, and that payments for the project were made in accordance with the applicable payment provisions. All work claimed has been completed following all federal, and state, and local regulations and all costs claimed have been paid in full.

\_\_\_\_\_  
 Sub-Recipient Authorized Official  
 Signature & Date

\_\_\_\_\_  
 Grants Program Manager/Emergency Manager  
 Signature & Date

**SECTION IV. NMDHSEM ACKNOWLEDGMENT**

I certify that reported costs were incurred in performance of eligible work, that the approved work was completed, that the project is in compliance with the provisions of the FEMA/State Sub-Recipient Grant Award Agreement, all grant conditions were met, and that payments for the project were made in accordance with the applicable payment provisions. All work claimed has been completed following all federal, and state, and local regulations and all costs claimed have been paid in full.

\_\_\_\_\_  
 DHSEM Grants Manager

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 DHSEM Program Manager

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Grants Management Bureau Chief

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Cabinet Secretary

\_\_\_\_\_  
 Date