



Exhibit B

SOUTH DAKOTA
HOMELAND SECURITY

Homeland Security Program Grants Administrative Manual

Terms and Conditions



Introduction

This manual provides information about two grants administered by the SD Office of Homeland Security: the State Homeland Security Grant and the Non-Profit Homeland Security grant.

The Office of Homeland Security works with state and local law enforcement officials, first responders, schools, fire, emergency medical services, churches, and other stakeholders to assist with projects that will help our state remain prepared to respond to acts of terrorism.

Recommendations for the administration of the grant program are provided by the Homeland Security and Emergency Management Senior Advisory Committee. The Committee includes representatives and subject matter experts from a variety of disciplines, working together to ensure responsible use of grant funding.

The SD Office of Homeland Security is committed to our partners throughout the state, and to the responsibility that we all have to keep South Dakota a safe place to live, work, visit and raise a family.

Please contact the Office of Homeland Security at 605-773-3450 for more information.

This is a live document. Updates to this manual will be posted on the following website
http://dps.sd.gov/homeland_security/homeland_security_grants.aspx
or upon request to the SD Office of Homeland Security

Contents

A. State Homeland Security Grant.....	4
Section 1: General Information	
• National Preparedness Goal and Core Capabilities	4
• Grant Requirements.....	6
Section 2: Federal Administrative Requirements.....	8
Section 3: State Administrative Requirements	12
• Local Projects	
• Regional Projects	
• State Projects	
• Allowable and Unallowable Costs	
B. Non-Profit Security Grant	20

State Homeland Security Grant

The Office of Homeland Security receives an annual State Homeland Security Program grant, CFDA #97.067, from the US Department of Homeland Security. Awards under this grant must enhance anti-terrorism security efforts.

The State Homeland Security Program grant requires that 80% of the grant be “passed-through” to local sub-recipients and 20% be used for state projects. Up to 5% of the state portion of the grant can be used for administration costs. There is no required match for the State Homeland Security Grant.

Eligible applicants include public agencies such as county emergency management, sheriff’s offices, police departments, public schools, fire departments, and ambulance services. A portion of the local pass-through is used for statewide special programs including the SD Fusion Center, Special Weapons and Tactics (SWAT) Training, and Taskforce 1.

School security projects are limited to public or private schools. Schools can request a school security assessment by contacting the Office of Homeland Security. Examples of projects to increase security in schools are focused on access control: electronic entry systems, video entry, crash bars, door locks, metal detectors, bollards, collapsible gates, intercom systems, panic alarms, lighting, security screening equipment, window tint, and security assessments. Private, non-profit schools may also be eligible to apply for the Non-Profit Homeland Security Grant described below.

State projects include equipment for physical protection of state assets, cybersecurity projects, statewide fire and law enforcement training; and requests for equipment, training, or exercises initiated by state agencies.

Acceptance of a grant award by the applicant signifies understanding that portable assets purchased with Homeland Security funding such as vehicles, UTVs, trailers, portable generators, mobile emergency operating commands, etc., will be made available for deployment statewide when requested under mutual aid or by the State.

The grant application process is competitive. Requests for funding must be fully explained and justified. Applications lacking appropriate justification and lacking a Homeland Security counter-terrorism connection will not be considered.

National Preparedness Goal

Funding from Homeland Security grants must be used for projects that follow the National Preparedness Goal, written by the US Department of Homeland Security, as described below.

The National Preparedness Goal is to develop: *“A secure and resilient nation with the capabilities required across the whole community to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk.”* These risks include events such as terrorist attacks, cyber-attacks, natural disasters, disease pandemics, chemical spills and other manmade hazards, such as active threat.

The National Preparedness Goal can be found at https://www.fema.gov/sites/default/files/2020-06/national_preparedness_goal_2nd_edition.pdf. The Goal describes five mission areas:

Prevention. Prevent, avoid or stop an imminent, threatened or actual act of terrorism.

Protection. Protect our citizens, residents, visitors, and assets against the greatest threats and hazards in a manner that allows our interests, aspirations, and way of life to thrive.

Mitigation. Reduce the loss of life and property by lessening the impact of future disasters.

Response. Respond quickly to save lives, protect property and the environment, and meet basic human needs in the aftermath of a catastrophic incident.

Recovery. Recover through a focus on the timely restoration, strengthening and revitalization of infrastructure, housing and a sustainable economy, as well as the health, social, cultural, historic and environmental fabric of communities affected by a catastrophic incident.

The Office of Homeland Security uses the federal priorities, the statewide Threat and Hazard Identification and Risk Assessment (THIRA), and the Stakeholders Preparedness Review (SPR) to prioritize funding for projects. In South Dakota, grant applications will be accepted under the following categories:

1. Protecting Soft Targets and Crowded Places

Soft targets and crowded places are typically defined as locations or environments that are easily accessible, attract large numbers of people on a predictable or semi-predictable basis, and may be vulnerable to attacks using simple tactics and readily available weapons. Examples include schools, national monuments, hospitals, sporting arenas, cultural centers, places of worship, and transportation sites.

Projects under this core capability include physical, technological, and computer-generated measures to control admittance and protect soft targets and crowded venues. Projects may include access control, video entry, crash bars, door locks, metal detectors, bollards, collapsible gates, intercom systems, panic alarms, lighting, security screening equipment, window tint, and security assessments. At this time, surveillance cameras are not being funded under this grant.

2. Combating Domestic Violent Extremism

Today the most significant terrorist threat facing the nation comes from lone offenders and small groups of individuals who commit acts of violence motivated by domestic extremist ideological beliefs stemming from a political, religious, social, racial, or environmental nature. Examples of projects include personal protective equipment for 1st responders, protection of critical infrastructure targeted by terrorist groups, training to prevent radicalization, and training to educate the public on misinformation.

3. Community Preparedness and Resilience

Grassroots level activation to provide communities with the awareness and training to be prepared and respond to disasters. Examples include Community Emergency Response Teams (CERT), churches, homeless shelters, food pantries, nonprofit medical providers and senior care facilities. Community level programs can be provided with equipment, training, and exercises to bolster their resilience to all hazards in their community. Generators are allowable for public safety answering points (PSAP) and emergency operations centers (EOC).

Fire departments can apply for equipment to counter structural fire, hazmat mitigation, assist with search and rescue, and specialized equipment (i.e., jaws of life), training, and exercises.

Community preparedness includes support for hazardous materials detection and protection equipment, training for emergency responders including veterinarians, laboratories, and medical providers who detect and respond to hazardous materials and diseases, agriculture and livestock bio-detection and protection equipment.

4. Cybersecurity

Projects under this core capability will protect electronic systems from damage, unauthorized use, and exploitation. Computer systems need to be protected against viruses, malware, ransomware, spyware, etc. Examples of projects in this category are: conduct cybersecurity risk assessments, install intrusion detection systems, provide physical protection of hardware systems in critical infrastructure, and conduct cybersecurity training and exercises.

5. Operational Communications

Projects under this category follow the SD Public Safety Communication Council statewide plan. Communication equipment is allowable for 1st responders. Homeland Security will not fund radios for highway departments, public works, hospitals, schools, city or county political officials, and other agencies that are not first responders. Examples of allowable expenses: radios compatible with the State Radio system, pagers for 1st responders, programming, radio signal amplifiers, repeaters, and interoperable communication training and exercises.

Radios and repeaters must be state digital P25 compliant and VHF (Very High Frequency) radio waves. If encrypted radios are being requested, the radios must be P25 compliant and must have AES multi-key encryption capability. The minimum standard for AES is the 256-bit encryption. AES is allowed for law enforcement only.

6. Information and Intelligence Sharing

This category is for the SD Fusion Center. National agencies, law enforcement and businesses share intelligence information to identify threats and people involved in terrorism-related activities. Each state, and a number of cities, have a hub for intelligence and information sharing called Fusion Centers; the Fusion Centers are networked together. The SD Fusion Centers illicit reports of suspicious activity from law enforcement agencies across the state. Information is analyzed and may be sent to the network of Fusion Centers. The Fusion Center continually searches for threats using public and non-public information sites.

7. Election Security Projects under this core capability will protect and provide, Physical security planning support, Physical/site security measures – e.g., locks, shatter proof glass, alarms, etc., General election security navigator support, Cyber navigator support, Cybersecurity risk assessments, training, and planning, Projects that address vulnerabilities identified in cybersecurity risk assessments, Iterative backups, encrypted backups, network segmentation, software to monitor/scan, and endpoint protection, Distributed Denial of Service Protection, Migrating online services to the ".gov" internet domain

A. Pre-Risk Assessment

Each applicant, except state agencies, is required by state law to complete a pre-risk assessment as part of the application. For example, schools, fire departments, and counties are not state agencies and are required to complete the pre-risk assessment in EDGAR IGX.

B. Sub-recipient Agreement

Applicants that are offered a grant award will be required to sign an agreement that details terms and conditions as set forth by the State and Federal Governments. Before you incur costs or receive any federal grant funds awarded to you, this agreement must be signed by an authorized signer from your agency and the Director of the South Dakota Office of Homeland Security. Should you incur costs or start a project before the award agreement is signed by the Office of Homeland Security, you will not be reimbursed.

C. Required National Cybersecurity Review (NCSR)

All sub-recipients must complete and submit a NCSR by the end of the calendar year before reimbursement. The NCSR is an anonymous, annual self-assessment designed to measure gaps and capabilities of cybersecurity programs. The assessment is done online between October-December of each calendar year. For more information, see https://www.fema.gov/IB_439_April_12,_2019 or visit <https://www.cisecurity.org/ms-isac/services/nCSR/>.

E. Definitions

1. State. State refers to the State of South Dakota.
2. SDHLS. SDHLS refers to the South Dakota Office of Homeland Security.
3. SHSGP. SHSGP refers to State Homeland Security Grant Program.
4. Subaward. Subaward refers to an award provided by a pass-through entity (SDHLS) to a sub-recipient.
5. Sub-Recipient. Sub-Recipient refers to a non-federal entity that receives a subaward from a pass-through agency (SDHLS), aka grantee, subgrantee
6. Sub-Recipient Agreement. The signatory document that commits grant funds to the sub-recipient and describes terms and conditions.
7. EDGAR IGX. Electronic Database for Grant Application & Reporting is the South Dakota Department of Public Safety's on-line grant management system.

F. Grant Provisions

1. The beginning and end date for the project will be on the award agreement.
2. Any amendments to award agreements must be in writing and approved by SDHLS.
3. Applications can be denied for any reason. For example, applications can be denied if the amount requested is more than the historical regional allocation or the applicant is considered at high risk of compliance with the conditions of grant award.
4. SDHLS retains the right to terminate subawards through the State Homeland Security Grant Program at any time.

G. Legal Provisions

1. Funding Out Clause. Subaward Agreements depend upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the State Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, the Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.
2. Insurance Provision. Sub-recipients agree, at their sole cost and expense, to maintain general liability, worker's compensation, professional liability, and automobile liability insurance during the subaward period as specified in the award.
3. Indemnification. The Grantee agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the sub- recipients to be responsible for or

- defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.
4. Governing Law & Venue. The Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.
 5. Severability & Non-Waiver. If any court of competent jurisdiction shall hold any provision of the Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof. Failure by the State to strictly enforce any provision of the Agreement shall not operate as a waiver of any provision, right or responsibility contained herein.
 6. No Sub-Granting or Assigning. Agreements may not be assigned, nor the funds given to a new or additional sub-grantee, without the express prior written consent of the SDHLS. Agreements may not be amended except in writing, which writing shall be expressly identified as a part hereof and be signed by an authorized representative of each of the parties hereto. Any assignees, sub- grantees, or successors in interest must agree to be bound by all the terms contained within the Agreement and shall be bound hereby to all these terms.
 7. No Third Parties. Agreements are intended only to govern the rights and interests of the parties named herein. It is not intended to, does not and may not be relied upon to create any rights, substantial or procedural, enforceable at law by any third party in any matters, civil or criminal.

H. Sub-recipients agree to SD Codified Law 1-56 including the following conditions:

- A conflict of interest policy is enforced within your organization;
- The Internal Revenue Service Form 990 (Return of Organization Exempt from Income Tax) has been filed, if applicable, in compliance with federal law, and is displayed immediately after filing on your website;
- An effective internal control system is employed by your organization; and
- If applicable, your organization follows the federal Single Audit Act, in compliance with 4-11-2.1, and audits are displayed on your website.

Sub-recipients must comply with applicable requirements of all state and federal laws, executive orders, regulations, and policies governing this program including the applicable years' DHS Standard Terms and Conditions.

Section 2: Federal Administrative Requirements

Sub-recipients are **required to follow all Code of Federal Regulations (CFR) requirements** found in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The most current, complete, and searchable CFR can be found at <https://ecfr.federalregister.gov/> .

The sections below have been included to draw special attention to some of the requirements. Additional SDHLS requirements have been included where applicable.

CFR Administrative Requirements:

- 2 CFR Part 200 Subpart D (2 CFR 200.300 through 2 CFR 200.346)

CFR Cost Principles:

- 2 CFR Part 200 Subpart E (2 CFR 200.400 through 2 CFR 200.476)

CFR Audit Requirements:

- 2 CFR Part 200 Subpart F (2 CFR 200.500 through 2 CFR 200.521)

Suspension and Debarment (2 CFR 200.214)

Sub-recipients may not form a new contract, make a new purchase from, or enter into any new business relationship with parties listed on the government wide exclusions database in the System for Award Management (SAM).

Prior to entering into any contract or purchase funded by federal grants expected to exceed or equal \$50,000, a search must be performed using the SAM website: www.sam.gov. A guide to searching for a debarment report is available here: [Debarment Search Guide July 2021](#).

Equipment (2 CFR 200.313)

Title. 2 CFR 200.313(a). Equipment purchased by the sub-recipient with federal award funds is the property of the sub-recipient.

Use. 2 CFR 200.313(c)(1). Equipment must be used by the 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 the Federal award, and the non-Federal entity must not encumber the property without prior approval of the Federal awarding agency.

Property Records. 2 CFR 200.313(d)(1). Property records must be maintained for all items with a per-unit acquisition cost of \$10,000 or more. Property records must include:

- description of the property
- serial number or other identification number
- source of funding for the property (including the federal award number found on the Grant Sub-Recipient Agreement)
- who holds title
- acquisition date
- cost of the property
- percentage of federal participation in the project costs for the federal subaward under which the property was acquired
- the location
- use
- condition

Note: All equipment must be listed as allowable on FEMA's Authorized Equipment List (AEL), see the following link: www.fema.gov/authorized-equipment-list

Physical Inventory. 2 CFR 200.313(d)(2). A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

Control System. 2 CFR 200.313(d)(3). A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

Maintenance Procedures. 2 CFR 200.313(d)(4). Adequate maintenance procedures must be developed to keep the property in good condition. For example, generators will receive yearly maintenance and testing under load at a minimum. Warning sirens will receive yearly

maintenance and testing.

Disposition or Transfer. 2 CFR 200.313(e). When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, disposition of the equipment will be made as follows: Items of equipment with a current per-unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

SDHLS approval is required prior to disposition. An Equipment Disposition Request Form must be submitted to SDHLS for approval at least 30 days prior to the proposed disposition date. Contact the Office of Homeland Security for the form at 605-773-3450.

Items of equipment with a current per-unit fair market value more than \$5,000 may be retained by the sub-recipient, transferred, or sold.

Equipment with an original cost of \$5,000 or more may be transferred to an eligible third party. An Equipment Transfer Form must be submitted to SDHLS within 30 days of the transfer. A sub-recipient cannot transfer equipment to an agency who is not eligible for the grant. Contact the Office of Homeland Security for the form at 605-773-3450.

If sold, the sub-recipient must return a proportionate share of the federal funds from the sale of the equipment. Please contact the SD Office of Homeland Security with specific information.

Procurement (2 CFR 200.317 through 2 CFR 200.326)

General Requirement. Sub-recipients will follow all federal provisions under 2 CFR 200.318 through 2 CFR 200.326 at <https://www.ecfr.gov/>

Procurement Procedures. 2 CFR 200.318(a). The sub-recipient must use its own documented procurement procedures provided that the procurements conform to applicable State and Federal law. If the sub-recipient does not have a procurement policy, they must follow state procurement policy. Agencies must follow the most restrictive procurement rule whether federal, state, tribal, local, or private, non-profit. Because state procurement policy is more restrictive than the federal policy, state procurement policy is described below.

Procurement Policy Summary:

From 0 - \$3,999 One quote for expenses 0-\$3,999 is required with the application to establish the basis of the funding requested. (This varies from the proscribed state procurement policy). Attach the quote in EDGAR IGX on the application budget form.

Between \$4,000 and \$50,000 At least three (3) written quotes **must be** obtained from qualified sources for purchases with an aggregate cost of \$4,000-\$50,000.

Attach three quotes in EDGAR IGX to the application budget form. The amount requested on the grant application **must** be for the lower of the quotes. The quotes provided **must** match the item and quantity requested on the application budget.

State Contract Pricing Exception. One quote from a vendor under state contract, GSA or NASPO contract is sufficient; the cost comparison has already been done. You must contact the vendor on the state contract, confirm that you are eligible for state contract pricing, and request

a quote for the items and quantity you are applying for. The quote must be attached to the application budget form in EDGAR IGX stating "State or GSA, NASPO contract pricing". State contracts are NOT considered quotes and should NOT be uploaded into EDGAR IGX.

Quotes must be provided on vendor letterhead or vendor receipt. Quotes copied from internet pages without vendor information will not be accepted. The sub-recipient must maintain documentation of the quotes in their grant files.

\$50,000 and over. Proposals for goods must be solicited by advertising for competitive sealed bids or competitive sealed proposals. A brief description of the process for obtaining the proposals must be attached to the application budget form in EDGAR IGX.

General services from \$0-49,999 can be negotiated with a vendor when the sub-recipient considers the cost to be reasonable. A brief description of the process for obtaining the negotiated cost must be attached to the application budget form in EDGAR IGX.

Professional services can be negotiated for expenses from \$0 - \$49,999. Services \$50,000 and over must be solicited by advertising for competitive sealed proposals. Attach a brief description of the process for obtaining the proposals to the budget form in EDGAR IGX.

Procurement by Non-Competitive Sources (Sole Source). 2 CFR 200.320(c) Sole source purchases are not allowed without prior approval.

Complete a Request for Sole Source Purchase Form and submit it in EDGAR IGX prior to entering into a purchase commitment. The Request for Sole Source Purchase Form link is in EDGAR IGX on the budget page and available upon request.

The approved form must be attached to the sub-recipient's reimbursement request.

There are specific circumstances in which a noncompetitive, sole source procurement can be used. Noncompetitive, sole source procurement can only be awarded if one or more of the following circumstances apply:

- 1) The item is available only from a single source;
- 2) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
- 3) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or
- 4) After solicitation of a number of sources, competition is determined inadequate.

Records Retention (2 CFR 200.334)

Projects will be closed when the award has been expended or at the subaward end date, whichever comes first. Grant records must be retained for three years after the grant is closed.

Equipment records must be retained for the life of the equipment and for three years after final disposition of the equipment.

Sub-recipients must maintain organized grant files containing the following information:

- Copy of the project application and signed Sub-Recipient Award agreement.
- Copy of revisions to the original agreement, if any.
- Copies of all reimbursement requests.
- For aggregate purchases of \$50,000 or more, copy of verifications that the vendor was not on the debarred or excluded list at the time the order was placed.
- Copies of the capital asset inventory records for grant-funded equipment if applicable.
- Copies of Equipment Disposal/Transfer Forms for grant-funded equipment if applicable.
- Copies of monitoring reports completed by the South Dakota Department of Public Safety if applicable.
- Copies of Environmental and Historic Preservation approvals from FEMA if applicable.
- Copies of completed audits which are relative to the grant project if applicable.

Federal Funding Accountability and Transparency Act (FFATA) 2 CFR 200.332(b)

To provide the public access to information on Federal spending through USASpending.gov, the State, as a prime awardee of Federal grant funds, is required to report on all subawards issued for \$30,000 or more.

FFATA reporting is not a sub-recipient requirement. It is a requirement of the State. Be aware that if a sub-recipient receives a subaward of \$30,000 or more, the following information will be reported on USASpending.gov:

- Entity Information
- UEI (Unique Entity Identifier)
- Date of Subaward
- Amount of Subaward

Conflict of Interest. 2 CFR 200.318(c)(1). The sub-recipient must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. Anyone who develops or drafts specifications, requirements, statements of work, or proposals for a purchase or contract must be excluded from bidding or submitting a proposal to compete for the award because such involvement provides an advantage over other bidders. See 2 CFR 200.319(a). All procurement transactions must be conducted in a manner providing full and open competition.

Access to Records (2 CFR 200.337)

FEMA, the Inspector General, the Comptroller General of the United States, and the State, or any of their authorized representatives, have the right of access to any documents, papers, or other records of the sub- recipient which are pertinent to the Federal subaward.

Section 3: State Administrative Requirements

Concurrence with Statewide Projects

Supporting the recommendation of the South Dakota Homeland Security and Emergency Management Senior Advisory Committee, the sub-recipient agrees to use local pass-through funding for the following statewide projects: Fusion Center, SWAT training, and Taskforce 1. The current allocation for statewide projects is \$825,000.

Grant Management System

Sub-recipient agrees to use SDHLS's on-line grant management system (EDGAR IGX) for the application and grant management of subawards including but not limited to the following:

- Maintain current sub-recipient contact information in the system

- Unique Entity Identification (UEI) searchable at www.sam.gov
- Pre-risk Assessment Evaluation
- Each project must focus on an investment justification as described on the application
- Complete and submit required documentation
- Submit reimbursement requests
- Submit required progress reports

Sub-recipient Monitoring

- SDHLS shall monitor the programmatic and financial progress of sub-recipients to assure compliance with local, state and federal requirements and that performance goals are being achieved.
- The sub-recipient understands that SDHLS may enforce any of the remedies for noncompliance allowed by state and federal regulations.
- The closeout of a grant does not affect the SDHLS's responsibility to monitor beyond the performance period end date.

Progress Reports

For equipment purchases or other one-time costs, sub-recipients are no longer required to submit a written progress report. The Office of Homeland Security may request a verbal or written progress report on projects at any time during the project period.

Environmental and Historic Preservation

Projects involving ground disturbance, communication towers, physical security enhancements, and installation of equipment to buildings and structures must meet the requirements of FEMA's Environmental and Historic Preservation (EHP) Program.

Projects that require EHP approval cannot begin until written EHP approval has been received from FEMA.

Sub-recipients are required to complete and submit the EHP Screening Form to the Office of Homeland Security with the required, labeled photos and other documentation. The documentation will be submitted to FEMA for final approval. When approval is received from FEMA, SDHLS will notify the sub-recipient and the project can begin.

SDHLS will send sub-recipients a fillable PDF form and instructions for the EHP review when the grant has been awarded.

Contract Approval

Sub-recipients must obtain written approval from SDHLS prior to execution of contracts funded under this grant.

Reimbursement

Sub-Recipient Agreements will be distributed when the state receives the Federal Notice of Grant Award. The agreements must be signed by the applicant and the Director of Homeland Security to be valid. Equipment or services procured prior to the signing of the agreement will not be reimbursed.

Homeland Security grants are paid on a **reimbursement basis**; if you are awarded a grant, you must pay for the equipment or services. You will be reimbursed up to the amount noted on your subaward. You are responsible for any difference in cost.

All expenses must have prior approval through the Sub-Recipient Agreement or they will not be reimbursed. Equipment and/or services must be received, and the vendor paid prior to requesting reimbursement. Reimbursement requests must be submitted through EDGAR IGX. Projects must be completed by the subaward end date noted on the Agreement; sub-recipients can request a deadline extension by contacting the Office of Homeland Security.

Reimbursement requests must be submitted through the EDGAR IGX system no later than 45 days after project completion or after the subaward end date.

Travel. Reimbursement for meals, lodging, mileage, and other expenses will follow State policy, except where non-state employees are unable to obtain state lodging rates. State rates last updated on July 1, 2024 are shown below.

In-State			
Meals	Amount	Leave Before	Return After
Breakfast	\$6.00	5:31am	7:59am
Lunch	\$14.00	11:31am	12:59pm
Dinner	\$20.00	5:31pm	7:59pm
Total Per Day	\$40.00		

Out-of-State			
Meals	Amount	Leave Before	Return After
Breakfast	\$10.00	5:31am	7:59am
Lunch	\$18.00	11:31am	12:59pm
Dinner	\$28.00	5:31pm	7:59pm
Total Per Day	\$56.00		

Mileage or Fuel	
Private Vehicle	\$0.51 /mile
Government Vehicle	Fuel Receipts

For state or local government-owned vehicles, reimbursement will be made for actual fuel usage supported by receipts.

When non-state employees are unable to obtain state rates for lodging, they are expected to obtain reasonable lodging rates. Receipts for lodging are required for reimbursement.

Unallowable travel costs include entertainment charges, tobacco, alcohol or bar charges, laundry charges, visa or passport charges, tips, phone calls, personal hygiene items, in-room movies, magazines, personal transportation (other than to program activities), travel insurance, and credit card fees.

Documentation. Reimbursement requests must include the following documentation:

Itemized invoices. If the invoice is not itemized, then submit the related proposal or quote in addition to the invoice.

Proof of payment. Proof of payment should be in the form of a front-and-back copy of the canceled check, paid credit card statement, or a copy of electronic transfer documentation showing payment has been made to the vendor.

Monitoring form. A monitoring form must be completed for any system or equipment over \$10,000.00. The form is available on the reimbursement page within the EDGAR IGX program.

Travel, training, and exercises.

- Costs must be itemized separately for each traveler (departure and return times, destinations, airfare, lodging; meals, ground transportation to program activities, and other allowable expenses).
- Purpose of travel as it relates to program activities.
- Copy of the agenda or registration form.
- Meals will be reimbursed based on departure and return times; receipts for meals are not required.
- If the sub-recipient does not have an agency required form to summarize travel costs for grant activity participants, the sub-recipient may use the Travel Detail Worksheet available on the SDHLS website at <https://dps.sd.gov/resource-library/TravelDetailWorksheet.pdf-458>
- Rosters of attendees are required for all *hosted* trainings and exercises.
- Exercises that are reimbursed by the Office of Homeland Security must be compliant with the Homeland Security Exercise and Evaluation Program (HSEEP). HSEEP is a national standard for all exercises.

Suspension & Debarment Search Documentation. A copy of the debarment search report generated from www.sam.gov must be included with the reimbursement request for aggregate purchases of \$50,000 or more. A guide to searching for a debarment report is available here: [Debarment Search Guide July 2021](#) .

Radios, Repeaters and Pagers for First Responders

Radios, repeaters and pagers for first responders must be justified in the grant application. The Office of Homeland Security may limit awards for radios, repeaters and pagers based on priority, agency, and funding available. The Office of Homeland Security will not fund radios for highway departments, public works, hospitals, schools, city or county political officials, and other agencies that are not first responders.

Radios and repeaters must be state digital P25 compliant and VHF.

If encrypted radios are being requested, the radios must be P25 compliant and must have AES multi-key encryption capability. The minimum standard for AES is the 256-bit encryption. AES is allowed for law enforcement only.

Each radio registered in the State Radio system has an identification number (ID), the serial number of the radio, and an alias (the agency name). Contact State Radio at 605-773-4635 if you are disposing of radios, adding new radios, or replacing radios. Please provide the radio ID number to delete if you are disposing of a radio. If a new radio has been added or a radio has been programmed to replace an ID number, provide the new radio serial number.

National Incident Management System (NIMS)

Sub-Recipients must adopt and implement NIMS standards as described in this link:

<https://www.fema.gov/national-incident-management-system>

THIRA/SPR

An annual statewide THIRA/SPR (Threat Hazard Identification Risk Assessment/Stakeholders Preparedness Review) is performed each grant year by the SD Office of Homeland Security and the SD Office of Emergency Management. Sub-recipients may be asked for their input on this report.

Security Needs Assessment

Applications for hardening/securing a critical infrastructure may require a security needs assessment conducted by an objective party.

By entering into this Agreement, Sub-Recipient certifies and agrees that it has not refused to transact business activities, it has not terminated business activities, and it has not taken other similar actions intended to limit its commercial relations, related to the subject matter of this Agreement, with a person or entity that is either the State of Israel, or a company doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or doing business in the State of Israel, with the specific intent to accomplish a boycott or divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to terminate this Agreement. Sub-Recipient further agrees to provide immediate written notice to the State if during the term of this Agreement it no longer complies with this certification and agrees such noncompliance may be grounds for termination of this Agreement.

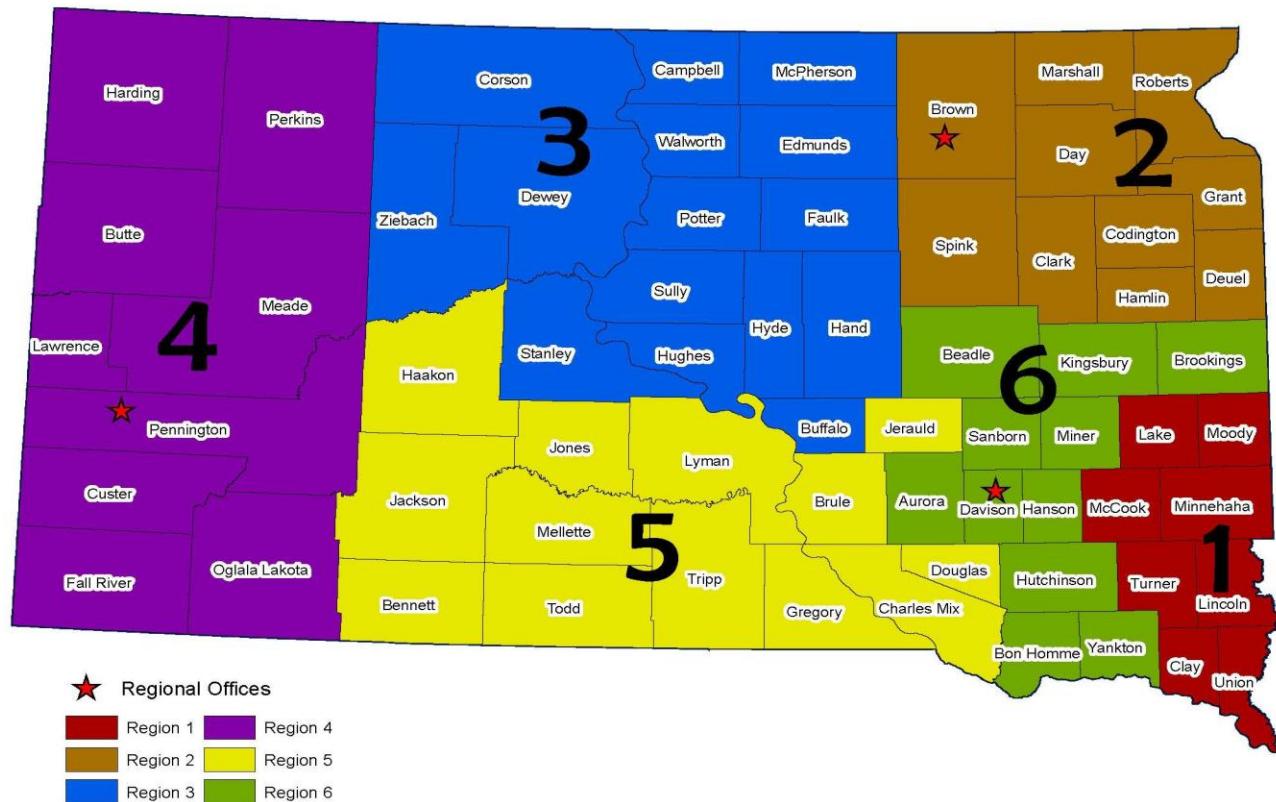
Special Conditions

Special conditions (if any) relating to a grant subaward will be stipulated on the Sub-Recipient Agreement.

Local Projects

The Office of Homeland Security will provide each of the six regions (as shown below) with an award amount based on a minimum base amount for each county and the population of the county.

South Dakota OEM / HLS Regions



When applications have received preliminary programmatic approval through the SD Office of Homeland Security, the applications will be made available to the six regional review committees to review. All grant funding is subject to the federal priorities established by the US Department of Homeland Security.

Each of the six regions will hold a meeting to review and prioritize the applications. At least 30 percent (30%) of grant funding appropriated to the State must be used for law enforcement terrorism prevention activities.

The Office of Homeland Security requires membership of the regional review committees to include one county emergency manager and one law enforcement official from each county. While the county emergency manager has knowledge of overall disaster and emergency response needs for the county, specific needs of law enforcement agencies are better known to law enforcement agencies. Therefore, requiring a law enforcement official to be present to

decide on projects that will receive funding ensures that the overall law enforcement requirement is met and the highest priority projects for law enforcement are approved. This does not imply that law enforcement projects should be arbitrarily approved as the process is competitive. Each region is provided with a law enforcement minimum dollar amount.

After the committee has met to discuss applications for projects, the regional coordinator will provide the Office of Homeland Security with a list of prioritized projects.

An award agreement for approved projects will be sent to each sub-recipient for signature through the EDGAR IGX system. Applicants whose projects were not funded will be notified. Once the agreement is signed by the applicant and returned to the Office of Homeland Security, the Director of Homeland Security will sign the agreement.

Sub-recipients will be able to access a copy of the final completed agreement indicating that projects can go forward, any special conditions, and the award expiration date in the EDGAR IGX system. If a sub-recipient does not complete the project by the end of the project period specified on the award agreement, an extension request can be made to the Office of Homeland Security in writing.

Regional Projects

If a region elects to use their allocation for a regional project (example: radios), 20% of their allocation must be set aside for other local projects.

State Projects

State funding (20% of the grant) is available for statewide projects. State agencies and other public, non-profit agencies may apply through the EDGAR IGX system.

When approved by the Office of Homeland Security, an award agreement will be sent to the applicant for signature electronically through the EDGAR IGX system.

Once the agreement is electronically signed and returned to the Office of Homeland Security, the Director of Homeland Security will sign the agreement.

Awardees will be able to access a copy of the final completed agreement indicating that projects can go forward, special conditions, and the award expiration date in the EDGAR IGX system. If a sub-recipient does not complete the project by the end of the project period specified on the award agreement, the Director of Homeland Security will either extend the project period or reallocate the funding award to another state project. Written documentation of extensions or reallocations will be provided to the sub-recipient and maintained in the grant file.

Allowable and Unallowable Costs

1. Allowable Costs

Costs that are allowable include, but are not limited to, the following expenses if specific to Homeland Security activities:

- Access control systems such as electronic locks, video entry, door locks, metal detectors, and panic buttons. Projects in school buildings must be reviewed by the State Fire Marshal to ensure they meet NFPA Fire Codes and state laws on school fire safety.
- Alarm systems
- Backup generators and transfer switches for PSAPs or EOCs only
- Cost of hosting planning meetings, trainings, and exercises. The primary purpose must be the distribution of technical information relevant to Homeland Security
- Fire service equipment and PPE for hazmat or technical rescue (must meet applicable NFPA standards whenever possible)
- Overtime and backfill salaries for the individuals providing shift coverage for those participating in Homeland Security approved planning meetings, training, and exercises.
- Pagers for 1st responders
- Surveillance /Security camera systems, replacements, or additions to existing systems (software/AI is not an allowable expense and must be paid for by agencies)
- Radios and repeaters P25 compliant with the State Radio system
- Security camera systems are allowable beginning with grant year 2024 and moving forward
- Ballistic shields are allowable for Tactical Entry or SWAT Teams, with prior federal approval.
- Travel expenses incurred while traveling away from your duty station for Homeland Security related planning meetings, training, or exercises
- Warranties and service plans for equipment bought at the time of purchase of the equipment can be reimbursed if cost is reasonable. Extended warranties and service plans (after initial purchase) for equipment cannot be reimbursed.

2. Unallowable Costs

The following list describes items that Homeland Security will **not** fund. This list is not comprehensive but includes commonly requested items.

- Automated external defibrillators (AED) for non-EMS entities
- Basic duty gear (belts, holsters, pouches)
- Basic firefighting bunker gear or other general use uniforms
- Construction or remodeling
- Door installation/replacement not directly related to Homeland Security mission
- Extended warranties, service agreements, service/maintenance fees purchased after the initial purchase of equipment cannot be reimbursed.
- Firearms, ammunition, explosive devices, munitions (distraction devices, grenades)
- General use software, computers, equipment, or office furniture
- Maintenance or repair on vehicles, boats, trailers, or other equipment
- Non-ruggedized laptops or tablets for in-vehicle use
- Normal duty or response duty personnel time
- Radios and repeaters not compatible with State Radio System
- Radios for highway departments, schools, hospitals, or other non-first responder entities
- Recurring costs such as licenses, wireless fees, internet fees, wireless cards
- Replacement of items previously funded through Homeland Security (exceptions on case-by-case basis)
- Research and development projects
- Security equipment for new construction
- Warning Sirens

Nonprofit Security Grant Program (NSGP)

South Dakota receives a grant for nonprofit agencies, CFDA 97.008, at high risk of a terrorist attack. Applications are submitted through the EDGAR IGX system for this grant beginning in 2024. To register in the EDGAR IGX system, go to <https://sddpsigx.intelligrants.com/> and follow the prompts. Instructions are posted in EDGAR IGX.

The opening and closing dates for the nonprofit application are variable due to the federal release of the notice of funding opportunity for this grant. The US Department of Homeland Security provides a form called the Investment Justification (IJ) for the non-profit applications usually in early spring. When the IJ is available, agencies can apply for the nonprofit grant in EDGAR IGX. The closing date will be posted on EDGAR IGX.

Nonprofit organizations can contact the SD Office of Homeland Security at 605-773-3450 to obtain application information and verify the application deadline.

Eligible nonprofit applicants must meet the following criteria:

- Organization must be in South Dakota.
- Security improvements must be for a building owned by the organization and occupied at the time of application.
- Meet the description under section 501(c)(3) of the Internal Revenue Code of 1986 (IRC) and be exempt from tax under section 501(a) of such code; and
- Be able to demonstrate, through the application, that the organization is at high risk of a terrorist attack.

The applicant must self-identify their organization as:

- a. Ideology-based/Spiritual/Religious
- b. Educational
- c. Medical, or
- d. Other

The nonprofit grant provides funding to improve physical security and planning, training & awareness, and exercises. Examples of allowable projects:

- Physical security enhancements such as access control at entrances, panic buttons, intrusion detectors, fire protection, security lighting, warning signs
- Surveillance /Security camera systems, replacements, or additions to existing systems (software/AI is not an allowable expense and must be paid for by agencies)
- Security screening equipment for people and baggage such as metal detectors
- Perimeter access control such as fencing, gates, barriers, etc.
- Active shooter training
- Security training for employees
- Public awareness/preparedness campaigns
- Response exercises
- Development of security plans and protocols, emergency contingency plans, and evacuation/shelter in place plans

Sub-recipient Agreement

Applicants that are offered a grant award will be required to sign an agreement that details terms and conditions as set forth by the State and Federal Governments. Before you incur costs or receive any federal grant funds awarded to you, this agreement must be signed by an authorized signer from your agency and the Director of the South Dakota Office of Homeland Security. Should you incur costs or start a project before the award agreement is signed by the Office of Homeland Security, you will not be reimbursed.

Sub-recipients are **required to follow all Code of Federal Regulations (CFR) requirements** found in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The most current, complete, and searchable CFR can be found at <https://ecfr.federalregister.gov/> .

The sections below have been included to draw special attention to some of the requirements. Additional SDHLS requirements have been included where applicable.

CFR Administrative Requirements:

- 2 CFR Part 200 Subpart D (2 CFR 200.300 through 2 CFR 200.346)

CFR Cost Principles:

- 2 CFR Part 200 Subpart E (2 CFR 200.400 through 2 CFR 200.476)

CFR Audit Requirements:

- 2 CFR Part 200 Subpart F (2 CFR 200.500 through 2 CFR 200.521)

Records Retention (2 CFR 200.334)

Projects will be closed when the award has been expended or at the subaward end date, whichever comes first. Grant records must be retained for three years after the grant is closed.

Equipment records must be retained for the life of the equipment and for three years after final disposition of the equipment.

Sub-recipients must maintain organized grant files containing the following information:

- Copy of the project application and signed Sub-Recipient Award agreement.
- Copy of revisions to the original agreement, if any.
- Copies of all reimbursement requests.
- For aggregate purchases of \$50,000 or more, copy of verifications that the vendor was not on the debarred or excluded list at the time the order was placed.
- Copies of the capital asset inventory records for grant-funded equipment if applicable.
- Copies of Equipment Disposal/Transfer Forms for grant-funded equipment if applicable.
- Copies of monitoring reports completed by the South Dakota Department of Public Safety if applicable.
- Copies of Environmental and Historic Preservation approvals from FEMA if applicable.
- Copies of completed audits which are relative to the grant project if applicable.

Federal Funding Accountability and Transparency Act (FFATA) 2 CFR 200.332(b)

To provide the public access to information on Federal spending through USASpending.gov, the State, as a prime awardee of Federal grant funds, is required to report on all subawards issued for \$30,000 or more.

FFATA reporting is not a sub-recipient requirement. It is a requirement of the State. Be aware that if a sub-recipient receives a subaward of \$30,000 or more, the following information will be reported on USA Spending.gov:

- Entity Information
- UEI (Unique Entity Identifier)
- Date of Subaward
- Amount of Subaward

Conflict of Interest. 2 CFR 200.318(c)(1). The sub-recipient must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. Anyone who develops or drafts specifications, requirements, statements of work, or proposals for a purchase or contract must be excluded from bidding or submitting a proposal to compete for the award because such involvement provides an advantage over other bidders. See 2 CFR 200.319(a). All procurement transactions must be conducted in a manner providing full and open competition.

Conflicts of Interest rules apply to all phases of the grant including quotes.

Access to Records (2 CFR 200.337)

FEMA, the Inspector General, the Comptroller General of the United States, and the State, or any of their authorized representatives, have the right of access to any documents, papers, or other records of the sub- recipient which are pertinent to the Federal subaward.

Grant Management System

Sub-recipient agrees to use SDHLS's on-line grant management system (EDGAR IGX) for the application and grant management of subawards including but not limited to the following:

- Maintain current sub-recipient contact information in the system
- Unique Entity Identification (UEI) searchable at www.sam.gov
- Risk Assessment
- Each project must focus on an investment justification as described on the application
- Complete and submit required documentation
- Submit reimbursement requests

Environmental and Historic Preservation

Projects involving ground disturbance, communication towers, physical security enhancements, and installation of equipment to buildings and structures must meet the requirements of FEMA's Environmental and Historic Preservation (EHP) Program. Projects that require EHP approval cannot begin until written EHP approval has been received from FEMA.

Sub-recipients are required to complete and submit the EHP Screening Form to the Office of Homeland Security with the required, labeled photos and other documentation. The documentation will be submitted to FEMA for final approval. When approval is received from FEMA, SDHLS will notify the sub-recipient and the project can begin.

SDHLS will send sub-recipients a fillable PDF form and instructions for the EHP review when the grant has been awarded.

Contract Approval

Sub-recipients must obtain written approval from SDHLS prior to execution of contracts funded under this grant.

Reimbursement

Sub-Recipient Agreements will be distributed when the state receives the Federal Notice of Grant Award. The agreements must be signed by the applicant and the Director of Homeland Security to be valid. Equipment or services procured prior to the signing of the agreement will not be reimbursed.

Homeland Security grants are paid on a **reimbursement basis**; if you are awarded a grant, you must pay for the equipment or services. You will be reimbursed up to the amount noted on your subaward. You are responsible for any difference in cost.

Documentation

Reimbursement requests must include the following documentation:

Itemized invoices. If the invoice is not itemized, then submit the related proposal or quote in addition to the invoice.

Proof of payment. Proof of payment should be in the form of a front-and-back copy of the canceled check, paid credit card statement, or a copy of electronic transfer documentation showing payment has been made to the vendor.

To apply for the nonprofit grant, submit the following in EDGAR IGX.

1. Proof of Non-Profit 501(c)3 status

Submit a copy of the organization's 501(c)3 determination letter with the following exception. Churches, mosques, and synagogues are considered automatically exempt if they meet the requirements of IRS section 501(c)3, therefore, they are not required to submit a determination letter.

2. Mission Statement

Submit a Mission Statement of the organization on official letterhead, stating the purpose of the organization (who, what, and why), and any policies or practices that may elevate the organization's risk of a terrorist attack.

3. Vulnerability/Risk Assessment

Submit a vulnerability/risk assessment specific to the location/facility for which the nonprofit organization is applying. The assessment must address the threats, vulnerabilities, and consequences of a terrorist attack to the facility. Currently, there are no specific requirements for the vulnerability assessment. Risk assessments can be performed by law enforcement, an independent agency specializing in risk assessments, an emergency manager, a US Department of Homeland Security representative, or someone familiar with the facility. All requests for security improvements must be identified in the assessment.

4. Investment Justification (IJ) Application Narrative and Budget

The IJ must be completed in the format provided in EDGAR IGX.

The IJ is the application narrative form used to explain your proposed projects and the budget requested for each project. All questions must be answered completely.

The grant is competitive; points are awarded for each question on the IJ. Extra points are given to organizations that have not received prior year NSGP funding. Awards under this grant are decided at the federal level.

5. Quotes for Proposed Projects

One quote is required for projects \$0 - \$3,999 and three quotes are required from separate vendors for projects \$4,000 and over. The lowest quote must be used unless there is sufficient justification why the organization cannot do so.

Conflict of Interest rules apply to all phases of the grant including quotes. The CFDA for the NSGP grant is #97.008.