



OFFICE OF
PREPAREDNESS
AND EMERGENCY
MANAGEMENT

GRANTS MANAGEMENT MANUAL

Program Period:

July 1, 2024 - June 30, 2029

Issued By:

Massachusetts Department of Public Health

Office of Preparedness and Emergency Management

Version 2.0
6/11/2025

Table of Contents

At-A-Glance:.....	iii
Section 1: Introduction and General Information.....	1
Section 2: Federal Requirements.....	1
Section 3: State Contract Requirements and Administration.....	1
3.1: State Contract Requirements.....	1
3.1.1 Subcontracts.....	2
3.2: State Contract Payment Process.....	2
Section 4: Programmatic and Administrative Requirements.....	2
Section 5: Fiscal Responsibilities and Reporting.....	4
5.1: Budgets.....	4
5.2: Fiscal Reporting.....	6
Section 6: Asset Management Responsibilities.....	7
Section 7: Subcontracts.....	9
7.1 Sub-contractor Administrative Requirements.....	9
7.1.1 Subcontract Identification Package Requirements.....	10
Section 8: Allowable and Unallowable Program Costs.....	11
8.1 Principles and Factors Affecting Allowable Costs.....	11
8.1.1 Cost Policies and Limitations.....	11
Section 9: Appendices.....	18
Appendix A - Contractor Authorization Signatory Listing	
Appendix B - Fixed Asset Purchase Policy	
Appendix C - Capital Asset Purchase Request Form	
Appendix D - Subcontractor Identification Package Checklist; Subcontractor Identification List, Sample Coalition Letter of Endorsement	
Appendix E - Conference and Training Policy	
Appendix F - Request to attend or host Training or Conference Forms; Exercise Request Form	
Appendix G - Notices of Grant Award (NOA)	

At-A-Glance:

Expenditure reports: Required from each Sponsoring Organization for each budget submitted. Quarterly expenditure reports shall be sent via the Reporting Submission Tool (RST)

1 st Quarter (July 1- Sep 30)	Last Friday of October
2 nd Quarter (Oct 1-Dec 31)	Last Friday of January
3 rd Quarter (Jan 1- Mar 31)	Last Friday of April
4 th Quarter (Apr 1-Jun 30)	Last Friday of July

Budget modifications: Allowed four times during the fiscal year. Budget modifications shall be sent via the Reporting Submission Tool (RST)

1 st Modification:	Last Friday of August
2 nd Modification:	Last Friday of November
3 rd Modification:	Last Friday of February
4 th Modification:	Last Friday of April

** To help expedite end-of-year spending, the final Budget Modification should be submitted with the QER3 on the last Friday of April

Fixed Asset Inventory Report: The Fixed Asset Inventory Report shall be submitted via the RST no later than the last Friday of July.

Section 1: Introduction and General Information

The Massachusetts Department of Public Health (MDPH) Office of Preparedness and Emergency Management (OPEM) provides planning and preparedness resources for disasters, outbreaks, and other large-scale public health emergencies as well as volunteer opportunities. To support these efforts, MDPH OPEM awards contracts to Health and Medical Coordinating Coalition (HMCC) Sponsoring Organizations (SO) to facilitate implementation of the US Department of Health and Human Services (HHS)'s Centers for Disease Control and Prevention (CDC) Public Health Emergency Preparedness (PHEP), the Administration for Strategic Preparedness and Response (ASPR) Hospital Preparedness Program (HPP), and the Medical Reserve Corps (MRC) program.

Sponsoring Organizations serve as fiscal agents for each region, which includes supporting the entities within the region with procurement of equipment, supplies, services, and support as it relates to the MDPH approved budgets for PHEP, HPP, HMCC, and MRC. The sponsoring organizations support regional entities as they operate within their own governance for organization and decision making. Sponsoring organizations are expected to work with stakeholders to ensure that preparedness funds are directed to priority areas within their regions. Sponsoring organizations must demonstrate measurable and sustainable progress toward achieving all program requirements.

Section 2: Federal Requirements

The PHEP and HPP awards received by MDPH are based on the applications submitted to and approved by CDC and ASPR. MDPH and its subrecipients are subject to all federal statutes and regulations relevant to federal financial assistance, including the cited authority in this award, the funding authority used for this award, 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (referred to as the Uniform Guidance), and the provisions in the [HHS Administrative and National Policy Requirements](#). The terms and conditions incorporated either directly or by reference in the Notices of Grant Award (NOA) are also required and attached.

Section 3: State Contract Requirements and Administration

3.1: State Contract Requirements

Subrecipients are required to abide by the [Instructions, Contractor Certifications, and the applicable Commonwealth Terms and Conditions](#) which are incorporated by reference into the executed [Standard Contract Form](#), updated December 2024.

In addition, the receipt of grant funds is contingent upon the grantee being able to certify that it will comply with the Massachusetts General Laws, including G.L. c. 40A, § 3A, the MBTA Communities Act. Compliance with the MBTA Communities Act is determined by the Executive Office of Housing and Livable Communities.

3.1.1 Subcontracts

All entities receiving funding, either through a direct award or subcontract, are required to abide by the Commonwealth of Massachusetts laws, rules, regulations, and guidelines applicable to grant funding and procurement, their contract terms, the [Commonwealth Terms and Conditions](#) and the provisions set forth in this manual. See additional details in Section 7 of this document.

3.2: State Contract Payment Process

MDPH will issue quarterly payments to each Sponsoring Organization via an electronic funds transfer. MDPH OPEM will make every effort to notify programs of upcoming payments, but Sponsoring Organizations can also check upcoming payments and payment history at <https://massfinance.state.ma.us/VendorWeb/>

If unexpended funds from the previous fiscal year have not been received by October 1 of the current fiscal year, additional funds will not be released, and additional expenses cannot be incurred against these grants until those unexpended funds have been received by MDPH. Unexpended funds must be reverted within 30 days after approval of the final quarterly expenditures report.

Section 4: Programmatic and Administrative Requirements

Program monitoring and evaluation. In its role as the recipient and designated administering agency for federal PHEP and HPP dollars and state MRC funding, MDPH along with each Sponsoring Organization has a responsibility for providing sufficient oversight to ensure that funds are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that required performance goals are achieved. MDPH will monitor the performance of each Sponsoring Organization through programmatic and financial reviews using a variety of program evaluation methods. Each Sponsoring Organization will also ensure they can maintain effective control over and accountability for all cash, real and personal property, and other assets under the award; adequately safeguard those assets; and ensure that they are used only for authorized purposes.

MDPH expects the Sponsoring Organization to self-evaluate its progress in meeting program performance standards and desired results. Additionally, Sponsoring Organizations are required to evaluate the progress of all sub-recipients awarded from these grants. MDPH staff provide technical assistance, as needed, for Sponsoring Organizations to meet performance standards on program deliverables and fiscal reporting.

Site visits. As part of its obligation to monitor contracts, MDPH may request annual site visits to review the fiscal/program records and practices of any funded program. The Sponsoring Organization is required to maintain records, books, files, and all data related to program operations. These records must be retained by the Sponsoring Organization throughout the duration of their contract (including multi-years), and for the subsequent six years following the termination of the contract.

Administrative Requirements. Sponsoring Organizations support local health coalitions, hospital regions, HMCCs, and MRCs as they prepare their annual priorities and budget, budget modifications, and review individual expenditures as outlined by MDPH OPEM.

Sponsoring Organizations are required to submit all required contractual, programmatic, and fiscal reporting documents using the format and timelines specified by MDPH OPEM. The programmatic and administrative responsibilities of the Sponsoring Organization include, but are not limited to:

- Standard Contract package documents
- Subcontractor Identification Packages
- Initial budgets and Priority Areas
- Quarterly Expenditure Reports
- Budget modifications
- Asset Tracking
- Programmatic requirements as provided annually by MDPH OPEM and as specified below

Succession. Sponsoring Organizations are required to inform MDPH OPEM of changes in senior personnel that are critical to Sponsoring Organization operation and identify a transition plan to address continuation of critical functions. A position description/scope of work for all sponsoring organization positions supported with OPEM funding must be provided to MDPH OPEM prior to posting and hiring the position. These roles should also be identified in each Sponsoring Organization's Continuity of Operation Plan (COOP).

Acknowledgement. All emergency preparedness educational and training materials developed or procured by the Sponsoring Organization with funding under these grants must be consistent with national and statewide standards and guidelines, e.g., CDCs PHEP Capabilities, ASPRs HPP Capabilities, National Incident Management System, and the Core Competencies for Public Health. In addition, all documents developed must include the following at the end of the publication:

This publication (journal article, etc.) was supported by the following Cooperative Agreements: Public Health Emergency Preparedness (PHEP) Cooperative Agreement and Hospital Preparedness Program (HPP) Cooperative Agreement, from the Centers for Disease Control and Prevention (CDC) and/or Administration for Strategic Preparedness and Response (ASPR). Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the CDC and/or ASPR.

A copy of the publication must be submitted to MDPH OPEM forty-five (45) days prior to submission for publication.

If a conference or training is funded with HMCC, HPP and/or PHEP funds, the following statement must be included on conference materials, including promotional materials, agenda, and internet sites:

Funding for this conference was made possible (in whole or in part) by the Centers for Disease Control and Prevention and/or the Administration for Strategic Preparedness and Response.

The views expressed in written conference materials or publications and by speakers and moderators do not necessarily reflect the official policies of the Department of Health and Human Services, nor does the mention of trade names, commercial practices, or organizations imply endorsement by the U.S. Government.

The HHS, CDC, ASPR or MDPH logo may not be used on conference materials without express written consent of MDPH, the CDC Project Officer, CDC Grants Management Officer, or ASPR Project Officer. Sponsoring Organizations should communicate interest by sending an email to the HMCC mailbox.

Section 5: Fiscal Responsibilities and Reporting

5.1: Budgets

Budgets. Sponsoring Organizations are required to submit budgets for funded entities within their region using the MDPH OPEM programmatic budget template. Budgets must be directly related to supporting or enhancing public health and healthcare emergency preparedness capabilities, and consistent with and within the scope of the federal and state grant guidance, MDPH OPEM requirements, and this manual.

Budgets prepared by funded entities must be thoroughly reviewed by the Sponsoring Organization staff prior to submission to MDPH OPEM. The Sponsoring Organization is required to ensure all submitted budgets are detailed and include adequate information to allow for clear understanding if a cost is allowable, reasonable, and in furtherance of the requirements and priorities of the program. This includes, but is not limited to, the following review criteria:

- Anticipated cost of an item and the planned quantity
- Clear explanation on how the expense meets allowable criteria
- Linkage to a Priority Area
- Demonstration of how the proposed activity/expense is addressing an identified need or gap
- Explanation of how the proposed equipment and supplies will be distributed, managed, inventoried, retained, and replaced according to documentation and plans maintained by the Sponsoring Organization.

All coalition level budgets that include community allocations must detail the proposed expenditures within the relevant categories of the budget template. Any un-budgeted dollars may not be expended or distributed until costs are assigned in a budget modification approved by OPEM.

Budget modifications. There will be four modifications allowed: at the end of the first quarter, mid-year, at the end of the third quarter, and prior to year-end. To help expedite end-of-year spending, the fourth and final budget modification should account for projected year-end expenses and be submitted with the third Quarterly Expense Report (QER).

The budget modification process is primarily an opportunity for Sponsoring Organizations, and other funded entities, to amend their existing budget line items to reflect changes that arise as a result of unanticipated programmatic adjustments (e.g., modification of personnel costs, reduction in number of people attending a conference). Modifications must follow the same requirements as initial budgets, including ensuring detailed information explaining how the line is allowable.

Retroactive budget modifications are not allowed; budget modifications must be approved by OPEM in advance of the expenditure of funds.

Budget Categories. Contract budgets are organized by direct and indirect costs.

Direct costs. Expenditures related to administration and support activities which are directly related to the emergency preparedness program are direct costs. These include:

Salary and Wages. This portion of the budget represents salaries and wages for all personnel to implement the contract and for whom payroll taxes are paid.

Fringe. Fringe benefits include health insurance, pension contributions, payroll taxes and all other non-salary/wage benefits received by budgeted staff. This does not include sick, personal or vacation time, which should be contained within the salary line. The fringe line should reflect the proportion of the staff salary supported by the contract.

Travel. Travel includes in-state and out-of-state costs for those who will travel including transportation, meals, lodging, and meeting registration. Mileage may be reimbursed for travel to allowable meetings if using a personal vehicle. Travel costs must be reimbursed according to the GSA rates, <http://gsa.gov/portal/category/100120>. Please see attached Policy for Use of Emergency Preparedness Funds to Attend Conferences and Trainings (Appendix E).

Equipment. Equipment means 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 \$10,000.

Supplies. Supplies include items that are purchased to support a project but are not equipment. Supplies can also include non-permanent, disposable supplies.

Contractual. Includes all subcontracts, including those for the services of planners and coordinators working as independent contractors, to develop, revise, implement and exercise plans and agreements. A subcontractor's role is to evaluate a client's needs and perform the work. Payment should be based on the number of hours needed to do the job times a fixed hourly rate and must be determined before the job begins. Subcontractors set their own work hours, furnish their own equipment, and are responsible for incidental expenses, including those for training, conference attendance and travel.

Other MDPH funded. For items that do not fall within other budgeted categories, including allocations to communities (unless there is a contract for the allocation, then it would go in Contractual). These funds need to be modified and moved to the appropriate category (if possible) for approval prior to being expended.

Indirect or administrative costs. Expenditures that are not directly associated with any one program or a combination of programs, but which are related to the overall implementation of the contract are indirect costs. These costs may include but are not limited to the following:

- general office supplies and materials;
- leasing or routine replacement of office equipment;
- office telephone lines of indirect staff;
- costs related to occupancy of administrative premises;
- administrative and support staff training and travel;
- parent organization costs; and
- legal fees.

The above costs shall not be budgeted as a direct cost and costs itemized as direct expenditures shall not be included as part of indirect or administrative costs. Indirect costs must be detailed in the ‘Indirect’ section of the initial budget and cannot be reflected in other areas of the budget.

Sponsoring organizations that utilize a federally Negotiated Indirect Cost Rate Agreement that includes fringe benefit costs must include those indirect costs within the ‘Indirect’ section of the initial budget, rather than under ‘Salary and Fringe’. To cover indirect/administrative costs, entities with a federally Negotiated Indirect Cost Rate Agreement shall apply that rate on the basis permitted by the federal government. Rate Agreements must be submitted to MDPH OPEM during the initial budget process. That document will remain on file and MDPH OPEM will require an updated letter should that rate change.

Subrecipients that do not have a current federally negotiated indirect cost rate may elect to charge a de minimus rate of up to, but not more than, 15% of the modified total direct costs (MTDC). Per the HHS Grants Policy Statement (April 16, 2025, p. 13), “Modified direct costs are salaries and wages, fringe benefits, materials and supplies, services, travel, and no more than \$50,000 of each subaward, minus some exclusions.” Subrecipients should receive internal financial guidance when calculating indirect costs charged to MDPH OPEM funded programs to ensure accuracy and adherence to the Uniform Grants Guidance.

Sponsoring Organizations may take indirect on the HMCC budget and in situations where Sponsoring Organization staff are performing the substantive work of the program.

5.2: Fiscal Reporting

Quarterly Expenditure Reports. The accurate and timely reporting of fiscal information is a deliverable of all MDPH contracts. Sub-recipients bill MDPH for services rendered by submitting Quarterly Expenditure Reports (QER). Failure to complete and submit timely reports may result in a delay in payment to the Sponsoring Organization. Sponsoring Organizations are required to submit QERs for each quarter, even if no funding has been spent in that quarter. Sponsoring

Organizations are required to submit QERs via the RST according to the deadlines at the beginning of this document.

QERs must indicate exactly how funds were spent, show the expenditures broken down by item, report the Priority Area associated with each expenditure, and be reviewed by the Sponsoring Organization staff prior to submission to MDPH OPEM. Submitted reports are reviewed carefully by MDPH OPEM, first for procedural or mathematical errors, and second, for programmatic concerns to ensure that spending has followed principles of sound fiscal management and is tied to the program's approved Priority Areas and programmatic requirements. Documentation that does not provide this level of detail will be returned to the Sponsoring Organization for clarification and resubmission.

The QER is used to indicate expenses incurred by the Sponsoring Organization, or other sub-recipients, in each quarter. Expenses are reported when they are incurred. All goods must be received, and all services rendered by the June 30th contract end date. For the fourth quarter QER, only spending for items received or services performed on or before June 30th are allowable. Encumbrances or open purchase orders for which goods have not been received or services have not been rendered before June 30th cannot be included in the fourth QER and will not be paid.

All budget line items must be pre-approved by MDPH OPEM prior to expending funds. If an item(s) cost has changed since receiving initial budget approval, money may be shifted within the budget category to cover the increase provided the shifted money does not exceed the overall budget of the category or require a change to an existing subcontract. A negative balance in any line item is the sole responsibility of the sub-recipient. Additionally, MDPH OPEM cannot be responsible for expenses that exceed the Maximum Obligation.

Distribution of funds. Funds tied to an approved Priority Area, budget, and Subcontract Identification Package (if applicable) may be distributed, as directed by MDPH OPEM, from the Sponsoring Organization to support emergency preparedness planning and response activities. The Sponsoring Organization is responsible for ensuring all funds released to funded entities are properly utilized in support of approved activities. Use of funds must begin within 90 days of the start of the contract.

Program income. Any program income generated under these cooperative agreements shall be used in accordance with the additional costs alternative. By using the additional cost alternative, a Sponsoring Organization uses program income funds in addition to any Federal and non-Federal funds to support an emergency preparedness project. These funds are used for expansion of the project. The disposition of program income must have prior written approval from MDPH OPEM and the CDC or ASPR Grants Management Officer.

Section 6: Asset Management Responsibilities

Fixed assets. Fixed assets are defined by the Commonwealth of Massachusetts Office of the Comptroller as singular assets (including infrastructure) such as equipment, furniture, computer

software and all electrical and computer components with a useful life of more than one year and with a cost between \$1,000- \$49,999.

Fixed asset inventory report. Sponsoring Organizations must establish, maintain, and provide to MDPH OPEM a record for proper inventory control for any fixed asset purchased with emergency preparedness funds that costs \$1,000 or more and has a useful life of one year or more (see Fixed Asset Inventory Report – Appendix B). Sponsoring Organizations are required to submit via the RST a Fixed Asset Inventory Report that includes all purchases that qualify as a fixed asset, on an annual basis according to the deadlines at the beginning of this document.

Inventory Management and Deployable Assets. SOs are required to record and monitor the assets procured with OPEM EP funding (ie, using PHEP, HPP, HMCC, or MRC funds). SOs must follow the guidance provided by OPEM for how these assets are tracked across the region including what data elements are required to be collected and/or utilization of MDPH OPEM provided solution to report/track. This includes, but is not limited to deployable assets such as trailers, fixed assets, personal protective equipment (PPE), technology caches, etc.

In addition to any inventory management requirements imposed by OPEM, subrecipients will need to ensure that all fiscal responsibilities are maintained for items purchased.

In addition, fixed assets must be periodically verified to ensure that information in the database is correct and up to date and also that materials remain in service. Assets will also be randomly selected for inspection during annual site visits.

Capital Assets Requests. The Federal OMB has established a capital threshold of \$10,000 for articles of nonexpendable, tangible personal property having a useful life of more than one year such as information technology hardware, software and modifications. Pre-approval by MDPH OPEM is required for purchase of a capital asset (Appendix C). All capital assets should be listed on the Fixed Asset Inventory Report.

Disposition of other equipment/supplies. For non-consumable, non-fixed assets that fall below the \$1,000 purchase threshold, such as cell phones and smaller technology supplies, the assets should be disposed, following the procedures within each Sponsoring Organization and a record should be kept for six years.

Equipment and supplies costs. Costs incurred for equipment, supplies, and related expenditures necessary to carry out the award are allowable. Sponsoring Organizations must detail how the proposed equipment and supplies will be procured and maintained in accordance with the Sponsoring Organization's Maintenance and Inventory Plan prior to being determined an allowable cost. This Plan must include how the equipment/supplies will be maintained and a rotation plan to ensure they are used and restocked prior to expiration. Any regional cache must also have an allocation strategy as part of the plan. Equipment and supplies must be tracked using MDPH's provided solution and follow the Sponsoring Organization process for use of this platform.

Section 7: Subcontracts

Any contract entered into by a sub-recipient for the purposes of fulfilling the obligations or responsibilities outlined in their scope of work, must be in writing, authorized in advance by MDPH OPEM following submission of a Subcontractor Identification Package, and shall be consistent with and subject to the provisions of the [Commonwealth Terms and Conditions](#).

All sub-recipient subcontracts, must:

- Be obtained through a competitive process and in compliance with the principles of sound business practices required by both MGL Chapter 30B (but excluding contracts exempted under 30B) and the NoA. Please refer to the [Massachusetts Inspector General's Chapter 30B Manual: Procuring Supplies, Services and Real Property](#) (Updated May 2023).
- Ensure the subcontractor did not participate in the funded entities budgeting process when their contractual funds are discussed (e.g., A contracted MRC coordinator may not participate in the MRC unit's budgeting process that may include discussion of how much funding is being budgeted or modified for the contractor).
- Ensure that all subcontractors are legal entities and eligible to conduct business with the Commonwealth.
- Please note: if a Sponsoring Organization has previously subcontracted for services, it does not need to re-bid those services each year if it can document that the original process was competitive and contains all the required items contained in this document. However, a separate subcontract must be submitted for each contracted entity, each fiscal year, documenting which portion of the contract is applicable to the current FY. MDPH OPEM requires that Sponsoring Organizations review any subcontracts for services in place for three to five years to determine whether re-opening the procurement of services could achieve lower costs or enhanced services.

7.1 Sub-contractor Administrative Requirements

- To ensure contracts begin on the expected start date, sponsoring organizations should compile all required subcontract documentation in a Subcontractor Identification Package and submit to OPEM for review and approval **at least 30 days** in advance of the anticipated subcontract start date.
- Subcontractor Identification Packages must be submitted to MDPH OPEM for approval prior to execution. Start dates of subcontracts cannot precede the date of MDPH OPEM approval.
- Sponsoring organizations must review each subcontract prior to submitting it to MDPH OPEM to ensure all items in this document are being followed and the Subcontractor Identification Package is complete and accurate. Incomplete/inaccurate submissions will be sent back, unreviewed, for correction and resubmission. This delays the process and may delay the subcontract start date.
- The Subcontractor Identification Package must be resubmitted if there are any changes in the subcontractor entities, or scope of work that would necessitate a change to the dollar amounts to already identified subcontractors.

- A sub-contract review of planner and/or administrative coordinator services is required bi-annually by the sponsoring organization. In conducting these required mid-year and annual performance evaluations, sponsoring organizations must solicit input from individuals who directly inform or utilize the work of the subcontractor (e.g., PHEP coalition members, etc.). Sponsoring organizations will be required to submit to MDPH OPEM a record of the findings of the subcontractor review process at the end of each budget period. These findings from the subcontractor review process will also need to be included within the Subcontractor Identification Package submitted to MDPH OPEM.

7.1.1 Subcontract Identification Package Requirements

Subcontractor Identification Packages are comprised of:

- A signed MDPH Purchase of Service Office Subcontractor Identification (Appendix D) listing the proposed subcontractor.
- An un-signed contractual agreement with the proposed subcontractor that incorporates the following:
 - Scope of service detailing the work that will be performed and the project deliverables
 - A contract amount based on a MDPH OPEM approved sub-recipient budget
 - Contain a justification to demonstrate how the subcontract rate has been calculated. Sub-contracts can be outlined with an hourly rate and scope of work or may be project based with a total sum of money attached to each of the projects and an approximation of how many hours that project will take to complete. Any amendment or change must demonstrate to MDPH how a modification was decided, to ensure the recipient of a subcontract is not in conflict with conflict of interest.
 - Contain language that states:
 - The subcontractor will be held accountable to the applicable [Commonwealth Terms and Conditions](#).
 - There will be an evaluation process to ensure the contracted work is being accomplished. This process should be standard across all subcontracts and must include a mid-point progress and end of contract final evaluation.
 - Employees, consultants, or individuals of a sub-contractor cannot charge more than 40 hours a week of their time to a grantee contract(s) or between multiple MDPH OPEM vendors (eg, sponsoring organizations). MDPH OPEM reserves the right to audit any sub-contractor to certify that no more than 40 hours of a person's time is being charged accurately.
- If the subcontract involves work being performed by an individual, a copy of the resume.
- If sub-contractor has multiple engagements, they must also submit documentation showing they are capable of fulfilling the obligations of all sub-contracts.

Section 8: Allowable and Unallowable Program Costs

8.1 Principles and Factors Affecting Allowable Costs

Allowable costs. All costs must be reasonable, allowable, and appropriately allocated.

CDC PHEP funds may be used to support public health emergency preparedness activities while ASPR HPP funds may be used to support strengthening health care delivery system preparedness through regional efforts, rather than individual facilities. Sponsoring Organization (HMCC) funds are intended to address identified gaps in both these areas to strengthen and enhance the readiness of the public health and the health care delivery system to save lives during emergencies that **exceed the day-to-day capacity and capability of the public health and medical emergency response systems**. Organizations are encouraged to consult with MDPH OPEM to discuss the allowable use of grant funds.

Costs must meet all the following criteria:

- Be tied to an approved Priority Area and/or programmatic requirement.
- Be reasonable and necessary for accomplishing the objectives of the program and for implementing activities associated with an approved Priority Area.
 - A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Consideration should be given to whether the cost is of a type generally recognized as ordinary or necessary for the operation or performance of the recipient.
- Not be available otherwise at no cost (e.g., Software or platform offered or available for use at no cost).
- Build public health and healthcare system capacity to effectively respond to a range of public health threats, including but not limited to infectious diseases, natural disasters, and biological, chemical, nuclear, and radiological events.
- Be authorized in advance by MDPH OPEM.
- Not be prohibited under Federal or State laws or regulations.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- Be in accordance with generally accepted accounting principles.
- Be adequately documented.

8.1.1 Cost Policies and Limitations

Advertising costs. Advertising costs are allowable only for recruitment by a recipient organization of personnel or volunteers required for the performance of obligations arising under a Federal award; procurement of goods and services for the performance of a Federal award; and disposal of scrap or surplus materials or other requests that may be approved and authorized by MDPH OPEM.

Audit costs and related services. The costs of audits required by, and performed in accordance with, the single State Audit Act, are allowable as specified in OMB Uniform Guidance (formerly OMB Circular A-133), Section 200.425.

Back filling costs. Funds may not be used for the payment or reimbursement of back filling cost for staff, including health care personnel for exercises.

Bad debt. Funds may not be used to pay bad debts of any kind.

Buildings and land. Funds may not be used for the purchase or improvement of land, the purchase, construction, or permanent improvement of any building (see construction below).

Charges. Funds may not be used to pay interest, late fees, or other finance charges.

Clinical care. Funds may not be used for clinical care. This is defined as “directly managing the medical care and treatment of patients.”

Clothing. Funds may not be used to purchase clothing such as jeans, cargo pants, polo shirts, jumpsuits, sweatshirts, or T-shirts. HPP may purchase clothing used for PPE or response purposes if it can be re-issued.

Compensation. Funds may not be used to pay contracts for compensation with advisory board members.

CMS Conditions of Participation. Funding to individual health care entities is not permitted to be used to meet Centers for Medicare and Medicaid Services (CMS) conditions of participation.

Communication costs. Funds may be used for certain communication costs, in accordance with below considerations as well as the requirement in Section 4, outlining grant-funded assets are used for authorized purposes only.

- Funds may not be used for personal cell phone usage charges or international plans.
- Data costs for phones and tablets are allowable on non-personal devices for 24/7 points of contact for up to two individuals who have a defined role in responding to after-hours incidents and emergencies in a community or MRC, and for the Sponsoring Organization staff who are identified as 24/7 points of contact in their HMCC Response Plan.
- Requests for replacement phones need to indicate date of last purchase for that particular line or individual. Please note that tablets, laptops and smart phones are expected to have a durable life/usage period of between three years (minimum) to five years.
- 24/7 contacts are expected to respond to drills conducted by MDPH OPEM and the HMCC. Sponsoring Organizations will use this list to reconcile drill results quarterly, to ensure active participation of members on the 24/7 list.
- Funds may not be used to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.
- Recipients that use federal preparedness grant funds to support emergency communications activities must incorporate and comply with current SAFECOM guidance for emergency communications grants. Please refer to [Cybersecurity & Infrastructure Security Agency \(CISA\) SAFECOM](#) for more information about the current SAFECOM guidance.

Compensation and fringe benefit costs. Compensation includes all remuneration, paid currently or accrued, for services rendered during the period of performance under the MDPH OPEM award, including but not limited to wages, salaries and fringe benefits.

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of health insurance, pension contributions and payroll taxes, and all other non-salary/wage benefits received by budgeted staff. Sub-recipients should provide documentation of their fringe benefit rate or provide itemization for how the fringe benefit amount is computed.

Event (Training/Exercise/Conference/Meeting) costs. Costs of attending or hosting trainings, exercises, conferences, and meetings, the primary purpose of which is the dissemination of technical information related to public health or health care emergency preparedness, are allowable if consistent with the Policy for Use of Emergency Preparedness Funds to Attend Conferences and Trainings (Appendix E) and approved through the Request to Host/Attend Training or Conference Form (Appendix F). This includes costs of transportation, rental of facilities, speaker fees and other items incidental to such events. All training, exercise, conference, and meeting requests must be preapproved by MDPH OPEM prior to any funds being expended. This includes funds spent on salaries or contracted individuals to develop/attend/support a training, exercise, conference, or meeting (including, but not limited to, MRC coordinator, PHEP planner, or HMCC Staff time). Funds cannot be spent on training courses, exercises, and planning resources when similar offerings are available at no cost.

- Attending:
 - These costs must be incurred by employees funded with HPP, PHEP, or state emergency preparedness funds, or by employees who have a defined role in responding to incidents and emergencies in a community or organization who are in travel status on official business of the recipient organization.
 - Travel costs incurred by sub-contractors are not reimbursable.
 - All costs must be itemized within the approved budget and conference/training request forms and must also be detailed in the QERs. Travel costs must be reimbursed according to the GSA rates, <http://gsa.gov/portal/category/100120>. In addition.
 - Funds may not be used for airfare costs in excess of the customary standard commercial airfare (coach or equivalent).
 - Anticipated costs must be outlined on a Request to Host/Attend Training or Conference form and submitted at least 30 days prior to the conduct of, or attendance at, any event (i.e., training/conference/meeting) that is supported by PHEP, HPP, or state funds.
 - Funds may not be used to reimburse regular salary costs of conference or training attendees.

- Hosting:
 - PHEP and state funds may not be used to pay for food. The exception to this is paying for travel per-diem costs, including food, following Appendix E: Policy for Use of Emergency Preparedness Funds to Attend Conferences and Trainings. See

Food and Beverage below for additional details. In general, the agenda should be structured so that there is time for participants to purchase their own food, beverages, and snacks.

- If the training/conference/exercise has no direct cost (e.g. Will be offered to the coalition without speaker fee, course fee, and without facility or rental fee), MDPH OPEM will review an HMCC's request to utilize funds towards food on a case-by-case basis.
- Sign in sheets for each hosted training or conference are required to be submitted to dphhmcc@mass.gov within 30 days of the completion of the training/conference.

Construction. Funds may not be used for construction or major renovations. HPP funds may be used for *minor* alteration and renovation (A&R), which is generally is defined as work required to change the interior arrangements or installed equipment in an existing facility so that it may be more effectively utilized for its currently designated purpose or be adapted for an alternative use to meet a programmatic requirement. The work may be categorized as improvement, conversion, rearrangement modernization, but it does not include expansion, new construction, development, or repair of parking lots, or activities that would change the “footprint” of an existing facility (e.g., relocation of existing exterior walls, roofs, or floors; attachment of fire escapes). PHEP and state funds may not be used for any construction or any renovations.

Consultant service costs. Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the recipient organization, are allowable. Consultants are typically used for short-term projects. A consultant's role is to evaluate a client's needs and provide expert advice and opinion on what needs to be done. Funds may not be used to pay consulting fees for salaried program personnel to perform activities related to grant objectives.

Equipment and supplies costs. Costs incurred for equipment, supplies, and related expenditures necessary to carry out the award are allowable. Sponsoring Organizations must detail how proposed equipment and supplies will be procured and maintained in accordance with the Sponsoring Organization's Maintenance and Inventory Plan prior to being determined an allowable cost. This plan must include how the equipment/supplies will be maintained and a rotation plan to ensure they are used and restocked prior to expiration. Any regional cache must also have an allocation strategy as part of the plan. Equipment and supplies must be tracked using MDPH's provided solution and follow the Sponsoring Organization process for use of this platform.

Entertainment. Funds may not be used for costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).

Food and beverage. PHEP and state funds may not be used to pay for food. The exception to this is paying for travel per-diem costs, including food, following Appendix E: Conference and Training Policy. HPP allows for meals served at meetings, training, or conferences. But meals MUST be a necessary part of a working meeting (or training), integral to full participation in the

business of the meeting (i.e., meals may not be taken elsewhere without attendees missing essential formal discussions, lectures, or speeches concerning the purpose of the meeting or training) AND participants (majority) are traveling from a distance of more than 50 miles.

Funds may not be used to pay for food and beverages for receptions or “networking” sessions, regardless of duration. Funds may not be used for the cost of alcoholic beverages.

Exercises. HPP funding may not be used to support standalone, single-facility exercises. HPP funding may be used to plan and conduct trainings and exercises at the regional or HMCC level.

Influence. Funds may not be used to advance political or religious points of view or for fundraising or lobbying; payments to any person for influencing or attempting to influence members of Congress or the Massachusetts General Court are prohibited.

Medical Reserve Corps Funds. PHEP, HPP, and state funds (i.e., MRC funding) may not be used to support federally recognized MRC units that do not credential all MRC volunteers in MA Responds. MRC funds may not be used to support public health emergency preparedness and response activities not directly related to MRC unit operations. MRC units may not use HMCC, PHEP, HPP, or state funds to support volunteer databases or systems provided by and accessible to MRCs by MDPH. PHEP funds may be allocated to support (not supplant) MRC activities funded with state MRC dollars; PHEP funds may NOT be allocated towards MRC programming where the recipient does not accept state MRC funds. PHEP, or state funds, may be used to directly support MRC units' operations and must follow MRC priorities and requirements.

Meeting costs. Costs associated with conducting or attending business meetings, the primary purpose of which is for monitoring progress with priority area activities and information sharing related to public health or healthcare emergency preparedness, are allowable. This includes costs of transportation and facilities and other items incidental to such meetings or conferences. Reference Food and Beverage Above.

Overtime. Sub-recipients may (with prior written approval) use funds for overtime for individuals directly associated (listed in personnel costs) with the award.

Pre-award costs. Funds may not be used for reimbursement of pre-award costs.

Pre-payment. Funds may not be used for prepayment for services.

Publication and printing costs. Publication costs include costs of printing (including the processes of composition, platemaking, press work, binding and the end products produced by such processes), distribution, promotion, mailing, translations, and general handling.

Planners/Administrative Coordinators. Planners and/or administrative coordinators may be retained as sub-contractors to support the completion of grant deliverables. Sub-contracts for all planners and/or administrative coordinators must be created in accordance with Section 7 of this document and any additional guidance provided by MDPH OPEM (e.g., overview, priority areas, and requirements). Their scope of work must tie directly to an approved priority area and budget. Scopes of work may not overlap, and supplanting of contract services is not permitted.

Employees. Planners and/or administrative coordinators may also be hired as employees (rather than contractors) of an organization or municipality to support the completion of grant deliverables. There are no differences in the expectations and requirements for planner and/or administrative coordinator positions based on their type of employment arrangement. As such, in the event a coalition determines that it is in the best interest of the program to utilize an employee (not contractor) of an organization or municipality to fill the role of planner and/or administrative coordinator, the sponsoring organization must submit to MDPH OPEM for approval:

- A letter signed by the coalition’s leadership that details the justification for an employment vs. contractual arrangement.
- A position description/scope of work that details the requirements and expectations for the position of planner and/or administrative coordinator.
- A record of the findings of a performance review process at the end of each budget period.

Promotional items. Funds may not be used for the purchase of promotional items. This includes, but is not limited to, pens, cups, key chains, baseball caps, paperweights, magnets, patches, logo shirts and apparel, balloons, and buttons.

Refrigerators. Funds may not be used for the purchase of vaccine refrigerators unless the requesting community is making the purchase to provide operational redundancy to support the cold chain management provisions that are included in their current emergency dispensing site plan and will directly support their capacity to receive and store medical countermeasures for prophylaxis or treatment as provided in Capability 8, Medical Countermeasure Dispensing and Administration.

Rental costs. Rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; etc. Rental arrangements must be reviewed annually to determine if circumstances have changed and other options are available. Rental costs may not be part of indirect and also counted as a separate line item.

Research. Funds may not be used for research.

Seasonal influenza. Funds may not be used for costs associated with seasonal influenza vaccine clinics, including storage, disposal, and supplies.

Single-Use Plastic Bottles. [Executive Order 619: Eliminating the Purchase by the Executive Department of Single-Use Plastic Bottles](#). Sponsoring Orgs nor their subcontractors will not supply any beverage in a sealed rigid plastic bottle having a capacity of 21 fluid ounces or less unless no available or practicable alternative that meets the specifications of this contract, or any purchase order made under the contract, exists.

Supplanting. Funds may supplement, but may not supplant, existing programs.

Subscriptions and professional activity. Costs for subscriptions and professional activity directly related to emergency preparedness are allowable.

Vehicles. PHEP awardees can (with prior approval) use funds to purchase material-handling equipment (MHE) such as industrial or warehouse-use trucks to be used to move materials, such as forklifts, lift trucks, turret trucks, etc. Vehicles must be of a type not licensed to travel on public roads.

Rental car costs are permitted only if it can be demonstrated that the cost of a rental vehicle is a more cost-efficient means of transportation.

Section 9: Appendices
