



**Public Health Emergency Preparedness (PHEP) Cooperative Agreement
Continuation Guidance for Budget Period 9 (BP9)
Questions and Answers
June 23, 2008**

CDC held conference calls with grantees on May 29 and May 30 to answer questions regarding the PHEP Interim Progress Report (IPR) continuation guidance. In addition, ASTHO sponsored a technical assistance call on June 9. This document provides updates/corrections to information provided in the Q/A document from the first two calls and includes answers to new questions from the ASTHO call or e-mailed to CDC. Informational updates that became available after the calls follow the questions and answers.

General Application/Grants Management Questions

Question: What is the reporting period for the IPR?

Answer: The IPR should include a progress report that covers the first six months of Budget Period 8 (BP8), from August 2007 through January 2008. Because of the late IPR submission, grantees may include activities that occurred between January 2008 and July 3, 2008. Grantees will have another chance to update their projects when they complete their end-of-year reports for BP8 in November.

Question: Both the 2007 HHS Grants Policy Statement and the 2004 CDC Grantee's Financial Reference Guide for Managing CDC Grants and Cooperative Agreements indicate sets of guidelines for when prior approval is necessary for a budget redirection. They allow grantees some latitude with rebudgeting for minor changes. Are these guidelines in effect?

Answer: Yes.

Question: According to our project officer, nothing can be purchased without CDC prior approval, as indicated in a Notice of Award (NOA). What if my computer crashes - do I need a new NOA to order a new one? In response to the IPR, do we need to include in the budget EVERY possible minor thing that might come up, so we don't have to get approval and bother PGO for an \$800 replacement computer? While there was once a "reasonableness factor" in the guidelines, the rules the project officers are following are different. Can you help us understand how this relates to managing complex, changing multimillion dollar grant programs?

Answer: Perhaps your project officer was trying to convey that changes regarding personnel, consulting fees, or contracts always need prior approval to ensure there are no changes in the scope of projects. Grantees have discretion in moving budget items within other budget categories, as long as the combined, cumulative total of those changes does not exceed \$250,000 or 25% of the total budget, whichever is less. We do recommend approval be sought through an official



budget change request when the amount is substantial to ensure the budget in PERFORMS is representative of your expenditures. This makes it easier to interpret your financial status reports (FSRs) and to process your requests to carry forward unobligated dollars.

Question: The first paragraph of Appendix 1 in the continuation guidance states, “Awardees are responsible for maintaining progress in each of the preparedness areas described in PHEP Program Announcement AA154.” Can we interpret this to mean the requirements in this new guidance and the past three years of guidance documents? It's my understanding that AA154 came out in FY 2005.

Answer: Yes, that's correct. Continuation guidance always refers to the program announcement associated with the current project period and any subsequent guidance that has been released.

Question: There are many areas in the mid-year progress report templates that reference IPR Part 1. What is IPR Part 1?

Answer: For the current Budget Period 8 (BP8), we had to release the IPR in two parts – Part 1 (the mid-year progress report for BP7) and Part 2 (BP8 plans). Because the PERFORMS templates include text copied over from last year, the text still refers to Part 1. Please disregard the Part 1 reference.

Question: The guidance does not mandate a priority project, so designating a priority project this year is optional, right?

Answer: The guidance specifically says:
Those projects that are expected to remain incomplete by the end of BP8 may be carried into BP9. In addition, awardees may propose new priority projects for BP9. Priority projects for BP9 are expected to build upon and complement BP8 activities described in your progress report. In addition, priority projects must support the intent of the original PHEP Program Announcement AA154.

Our intent is that you have active priority projects. In the event that you have completed all of your BP8 priority projects to your satisfaction, we would expect you to propose a priority project for BP9 that supports the intent of Program Announcement AA154.

Carryover of Unobligated Funds

Question: The PHEP cooperative agreement guidance on page 18 (2. Requests to Carry Forward Unobligated Funds) states that we may ask to carry forward funds from either of the two prior budget periods into the current budget period, and that all requests to carry forward unobligated funds from previous



budget periods should be submitted by a certain date. This year that date is June 2.

Information from a May 27 e-mail message and a May 29 conference call indicates that states can carry forward unobligated RTDD and pandemic influenza funds from the current budget period (BP8 2007-2008) into the upcoming budget period (BP9 2008-2009) with the caveat that we do so by noon on June 2, 2008. These messages make the states request carryover funds a whole year earlier than the normal carryover process specified in the guidance. This seems to conflict with the guidance.

Answer: The ability to request current year RTDD and Fiscal Year 2007 pandemic influenza supplemental funding was extended in response to grantees' concern that the delicate relationships they had built with their poison control centers might be disrupted if contracts had to expire at the end of the year, to be replaced, months later, with new contracts funded with carryover dollars. At no time was there any intention of substituting this process for your usual requests to carry forward funds; this was simply a way to ensure you could continue without a break in services/contracts.

Question: **If we do not request carry forward of estimated unobligated current year (2007-2008) funds (RTDD or pan flu) by June 2, 2008, at noon, will we be allowed to request carry forward of these funds at a later date as in the past?**

Answer: Yes.

Maximum Amount of Carryover

Question: **A cap on carry-forward funds has been noted in the FRN and in the guidance, but no actual formula, amount, or percentage has been stated. The guidance further states that CDC “shall determine the maximum percentage amount” for carryover. Can you please provide us with what the cap (percentage) on carryover will actually be? And do we not need to know the cap prior to requesting that funds be carried forward?**

Answer: This requirement is related to our decision-making about the PHEP awards for Budget Period 10 (BP 10). We have sent you the formula we expect to use in determining the maximum amount of carryover. We will determine that amount based on the BP8 FSRs that you submit with your end-of-year report on November 9, 2008. So, we don't know at the moment what the cap will be; if we were to calculate it based on your end-of-year reports for BP7, the cap would be about 6%. Many of you have balances well beyond this threshold; you will want to carefully determine how best to reduce this before your end-of-year FSR is prepared.



Question: For maximum amount of carryover, will the numerator and denominator be derived from all awardees and will the percentage of carryover be part of a national average?

Answer: Yes, that is correct. We will calculate an average across programs and that amount (or potentially a rounded amount) will become the threshold.

Audit Requirements

Question: We would appreciate more specific information about the audit requirements.

- To what funding level does the audit requirement apply? All the way to local health departments?
- What would qualify as an independent auditor? Some counties have auditor positions within their governmental structure. Would that be sufficient? Would the Secretary of State be considered sufficiently independent?
- Is including PHEP in a general county A-133 audit by sampling considered adequate, or does each PHEP program component at the LHD level need a full audit?

Answer: Since the grantees may have more questions and to ensure that the questions are answered accurately, below is the link for the governing document for the audit requirements, which contains specific requirements under the subparts: OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations: <http://www.whitehouse.gov/omb/circulars/a133/a133.html>.

Cities Readiness Initiative (CRI)

Question: If a state's CRI metropolitan statistical area (MSA) includes areas in another state, is it correct to say that the CRI allocation for that area is to be used to achieve CRI objectives in the part of the CRI MSA that is in the second state?

Answer: If an MSA crosses state borders – which many do – each state with counties included in the MSA was funded for the county population that resides within the MSA. For example, Arkansas counties (population 52, 083) are included in the Memphis, TN, MSA, so Arkansas received \$17,235 for its portion of the Memphis, TN, MSA population. The CRI funding allocations are defined in Table 2 in the document posted at <http://emergencydev.cdc.gov/planning/coopagreement/08/cri.asp>.



Question: Are other states using the Urban Area Security Initiative (UASI) regions as their model for CRI instead of the MSAs?

Answer: The CRI jurisdiction guidance remains unchanged. MSAs remain the mechanism for identifying the CRI region.

Question: Please confirm that the non-CRI venues excerpt in the final guidance does not apply to directly funded cities (page 13, 7c).

Answer: That is correct. That is not applicable to directly funded cities.

Question: Regarding the BP9 mass prophylaxis overarching requirement (from PERFORMS template), should directly funded cities respond to *either* Item 1 or Item 2 or must they respond to both, in addition to responding to Item 6, as identified in the PERFORMS template?

Item 1: Based on the state's public health preparedness planning infrastructure, describe the actions that will be taken during BP9 to ensure that within each planning/local jurisdiction medical countermeasures can be rapidly dispensed to the affected population.

Item 2: Describe actions that will be taken in BP 9 to ensure that critical medical supplies and equipment are appropriately secured, managed, distributed, and restocked in a timeframe appropriate to the incident.

Answer: Directly funded cities can respond to Item 1. Item 2 calls for a response when that directly funded city has planned to conduct distribution activities after receiving material from the state.

Question: Are the directly funded cities responsible for conducting the technical assessment reviews (TARs) for its surrounding counties?

Answer: The reviews for the surrounding counties will be coordinated between the state and the DSNS program consultant in which 25% of those counties will be reviewed by the DSNS program consultant and the remaining 75% will be reviewed by the state.

Exercise Requirements

Question: There was some discussion previously that the period of time for which exercises would count might be April 2008 to April 2009. Has there been further clarification of this?

Answer: Some of the exercises will contribute to the new Pandemic and All-Hazards Preparedness Act (PAHPA) requirement for evidence-based benchmarks and objective standards that must be met to avoid a potential funding loss. The

exercises outlined on pages 4-5 of the IPR (1. Demonstrated capacity to notify primary, secondary, and tertiary staff to cover all incident management functional roles during a complex incident; and 2. Demonstrated capability to receive, stage, store, distribute, and dispense material during a public health emergency) can be claimed as complete if they were conducted anytime between April 1, 2008, and December 31, 2008. This allows us time to make funding decisions based on the successful completion of these activities prior to issuing the IPR for BP10.

All other exercise requirements can be completed between June 1, 2008, and August 9, 2009. In the future, exercises will be expected to be completed within the timeframe corresponding to the budget period.

To receive credit for any of the required SNS drills, the corresponding data collection tool (provided by the DSNS) must be completed and submitted to the DSNS Program Preparedness Branch at sns_ppb@cdc.gov

Question: Please provide a definition of a “full-scale or a functional mass prophylaxis exercise.”

Answer: A functional exercise (FE), as defined in the Homeland Security Exercise and Evaluation Program (HSEEP) guidance, “is designed to test and evaluate individual capabilities, multiple functions, or activities within a function, or interdependent groups of functions.” In contrast, a full-scale exercise (FSE) “is a multiagency, multijurisdictional exercise that tests many facets of emergency response and recovery. An FSE focuses on implementing and analyzing the plans, policies, and procedures developed in discussion-based exercises and honed in previous, smaller, operation-based exercises.” For purposes of meeting the IPR requirements, FE or FSE are exercises that test multiple aspects of your dispensing plan, for example, command and control, communication, logistics, etc.

Question: Do we need to do a functional or full-scale mass dispensing exercise in a non-CRI venue as well as our CRI MSA?

Answer: No.

Question: Can we conduct exercises on the same topic in two locations and still count these as two exercises?

Answer: Yes. In fact, you could conduct two exercises in the same place and count them as two exercises if the second followed an AAR and was developed as part of a corrective action plan from the first exercise.



Question: Is it three SNS drills and one full-scale or functional mass prophylaxis exercise or can drills be combined (full scale/functional combined with one of the minimum three)?

Answer: There are five drills to choose from: a call-down drill, a site activation drill, a POD set-up drill, a POD timing drill, and a pick-list (inventory management) drill. These drills can be conducted either as individual drills or in combination with larger exercises. Four of the drills do not necessarily have to be a drill in which clients are moved through a POD. The one exception is the POD throughput/flow (timing) drill. The full-scale or functional exercise can be separated from the three drills. The three drills can be used in conjunction with the full-scale or functional exercise as long as those three drill components are present in the exercise.

Question: If three counties are working together as a unit, are they responsible for three drills or nine?

Answer: Three drills.

Question: We are able to put our exercise schedule in the National Exercise Schedule (NEXS). Must we use the CDC template as well?

Answer: Yes. We need you to use the template. While you will find that most information can be cut and pasted from NEXS, there are some elements – such as the objectives for your exercise and the requirement, if any, to which the exercise corresponds – that are in our template only. All PHEP grantees must complete the CDC Lessons Learned Information Sharing (LLIS) database template, which will be used to create a calendar for public health exercises on the CDC DSLR LLIS secure channel. We understand that this requirement is a duplication of effort. Please bear with us as we develop a better way to get this information (and until all your colleagues gain access to NEXS).

Question: When and where do we submit exercise schedules?

Answer: Your exercise schedules must be reported to CDC using the LLIS template CDC is developing. Additional details regarding this tool and the related timeline will be provided shortly.

Question: Does the call-down exercise requirement apply just to public health departments, or, if the emergency involves more than public health or the emergency operations center (EOC) involves more than health agencies, is it OK if “any” key ICS people/roles can be reached?

Answer: This requirement relies on data captured through BP8 Performance Measure 6B: “Time to notify all primary staff (secondary or tertiary staff as needed) with public health agency Incident Command System (ICS) functional responsibilities



that the public health agency’s EOC is being activated.” This measure focuses on the health department’s ability to notify staff to cover all eight core ICS functional roles for the health department’s EOC. Further explanation of the requirements for this measure can be found in the FY07 PHEP Performance Measures Definitions and Guidance Version 1 document posted on the CDC website at the following address:

http://emergency.cdc.gov/planning/coopagreement/pdf/fy07guidance_definitions_v1_122607.pdf.

Question: Do the CRI exercises count toward the “two preparedness exercises” we must conduct?

Answer: Yes.

Maintenance of Funding (MOF) and Match

Question: When asked previously whether grantees could use some of the same items for both MOF and match, CDC replied, “No, you will not be allowed to utilize the same items. Maintenance of funding is a separate concept and comes from a separate funding source than match. They will not overlap in any way.” We cannot find anything in the PAHPA legislation, the recent Federal Register notice, or the final CDC PHEP IPR continuation guidance that supports this statement. What is this statement based on?

Answer: The statement is based on language in the PAHPA as interpreted by the Office of General Counsel and PGO.

Question: Will there be more information coming about match?

Answer: The continuation guidance included all the available information, including a reference to 45 CFR § 92.24, which contains additional information on match requirements, including descriptions of acceptable match resources. You can find the text of that section in **Appendix 1** of this Q and A document.

Question: Will the Level 1 chemical terrorism grant money be excluded from the match requirement? If not, it should be excluded because:

1) The 10 Level 1 labs exist to serve as a reserve capacity for CDC, rather than to serve the state holding the grant.

2) CDC has instructed us that personnel funded by the Level 1 chemical terrorism grants are prohibited from assisting elsewhere in the laboratory, e.g., on Level 2 activities which are funded by the emergency preparedness base award to the state.



Answer: No. The Level 1 funding will not be excluded from the match requirement. PAHPA requires a match for the full award that the HHS Secretary makes to each PHEP grantee.

The point made in 2) is incorrect. Level 1 funds – those earmarked for national surge capacity – cannot be used for Level 3 activities. It is difficult to separate Level 2 activities from Level 1 activities since many of the same methods can be used for a local response and also in a national surge capacity role.

Question: **We know that state funding can be used as MOF; however, can other non-bioterrorism federal grants also be used in the determination of MOF, such as West Nile virus funding, which support the overall all-hazards approach?**

Answer: No federal funding can be used to comprise a state MOF amount. MOF is solely about what the grantee contributes to the program effort.

Question: **We know that state funding can be used for matching purposes; however, can nonfederal funding from partners (local health departments, universities, others) that are used to support bioterrorism preparedness be considered for matching purposes?**

Answer: Yes. Nonfederal funding from partners that is used to support public health emergency preparedness is a perfect example of match, which is intended to represent what you and others contribute “from your own pocket” to the effort. In the case of the grantee, match amounts are in addition to MOF.

Question: **Does the match in one year get rolled into the MOF for the next year?**

Answer: No, unless the match is actually funding from the state budget. For example, if you need to demonstrate an MOF amount of \$500,000, and you actually have \$750,000 available, you would use the \$500,000 to meet your MOF requirement and put the remaining \$250,000 toward your match. When calculating your MOF for the next year, however, you would have to include the full \$750,000 in the MOF calculation, thus increasing your MOF requirement for that year.

Question: **Our state legislature /health agency was proactive and identified funds for match during the last session, anticipating its start in BP9. Is it possible for a state to initiate their full match (new dollars; full 10%) early and define such as starting in BP9? If this is done, can these funds be defined as match from this point forward without such funds becoming MOF in future years?**

Answer: We applaud you for proactively planning for your match. There is no method by which you will report match for FY 2008 dollars, but planning as if there were prepares you for FY 2009, when this will be a requirement. As to the question of whether match in one year becomes MOF in the next, if it is in your state budget, it will have to be considered in the calculation for MOF in the next year.



Question: Are we supposed to “push down” the MOF and match requirements to our locals?

Answer: Grantees have the discretion to determine how they wish to approach MOF and match. It is to your advantage to demonstrate MOF at the state level and use local, nonfederal contributions to comprise your match.

Question: If we use our state funding in one year to support warehouse operations and another year to support a different preparedness function, such as laboratories, is that amount still counted as MOF?

Answer: Yes.

Evidence-Based Benchmarks and Objective Standards

Question: On page 4 of the guidance document, under the Evidence-Based Benchmarks and Objective Standards section it states that, “According to PL 109-417, any funds withheld from the PHEP cooperative agreement program or the Hospital Preparedness Program will be reallocated to the Healthcare Facilities Partnership Program in the same state.” What does this mean?

Answer: It means that when funds are withheld due to an unacceptable state pandemic influenza operational plan or inability to meet performance measures, the funds are then available to the Healthcare Facilities Partnership Program in the state from which the funds were withheld, using a competitive process.

Question: The first bullet under Section II A of Appendix I, on page 12, states “On April 30, 2009, a progress report representing the period August 10, 2008, through February 28, 2009, program data (capacity, capability, and performance measures and/or benchmarks as outlined in the preceding letter from PGO...” Unfortunately, I don’t see any reference to specific performance measures in the letter from PGO.

Answer: The phrase “as outlined in the preceding letter from PGO” refers to the benchmarks listed on pages 4 and 5 in the BP9 IPR letter from PGO.

Laboratory Capacity

Question: If a state does not get any Level 1 chemical lab funding, should it be assumed that the #9 requirement regarding Level 1 chemical laboratory surge capacity on page 14 of the continuation guidance does NOT apply?

Answer: As all chemical laboratory activity occurs along a continuum, documenting plans for meeting the goals indicated in the linked document – Public Health Laboratory



Capabilities and Outcomes - should be included in the application. The only unique Level 1 activities are the need to develop proficiency in high throughput analysis methods and attendance at biannual surge capacity laboratory meetings.

Question: **What about the lab capability requirements posted on the CDC website? Do they apply to all states even without Level 1 funding? For example, it appears that these new lab requirements on the CDC website have added liquid chromatography-mass spectrometry (tandem MS) (LC/MS/MS) to the Level 2 lab requirements. This used to be a Level 1 requirement.**

Answer: The goals for Level 2 labs are detailed in the Public Health Laboratory Capabilities and Outcomes document. Yes, there are new outcomes including technical outreach to first responders and civil support teams and expanding the laboratory capability in the area of LC-MS/MS analysis. More than 75% of the public health laboratories have added LC-MS/MS capability, which is the single most powerful clinical analysis. With the skills developed in the past five years regarding GC-MS and ICP-MS, all labs who have met program goals to date should be able to use LC-MS/MS to benefit their jurisdictions. Grantees not already able to demonstrate this capability should be preparing to do so.

Question: **We were surprised to see radiologic labs included in the lab capabilities document. Are we supposed to have a radiologic lab?**

Answer: This is the first time we have actually spelled out the radiologic capabilities toward which grantees should be working to be fully prepared for a public health emergency involving radiologic exposure. We do not require you to have a separate facility in which to accomplish these. Additional information and technical assistance will be provided to grantees throughout the year to help you move toward these capabilities and outcomes.

Biosurveillance Requirement/Influenza Vaccination Clinics

Question: **New requirements appear to require that we have influenza vaccine clinics. A few of our local health departments do not do that any more; they have simply gotten out of the influenza vaccination business. What do we do in that case?**

Answer: These are not “new” requirements; mass vaccination clinics were part of previous requirements, particularly when supplementing the PHEP with pandemic influenza funds. The biosurveillance exercise is a repeat of the data transmission exercise many of you participated in last year, which was coordinated and led by the National Center for Immunization and Respiratory Diseases (NCIRD/Dr. Jeanne Santoli), and the National Center for Public Health Informatics (Jeanne Tropper) to assure that states have the ability to transmit data about “doses administered” from local to state to federal databases.



For BP9, there is an HHS requirement to exercise activities that will demonstrate that grantees are increasing their capabilities in biosurveillance. By including the biosurveillance exercises as a requirement during BP9, we are demonstrating the close collaboration between immunization programs and preparedness programs in the states and demonstrating the utility of the work for preparedness. Since NCIRD will repeat the exercise this year, we felt it was appropriate to have the exercise meet the requirements for a biosurveillance exercise as required by HHS. If you don't have clinics, you will still be required to transmit "doses administered" data from your providers. NCIRD and DSLR will provide additional information about biosurveillance-related requirements.

Question: I am confused by the language used to describe the intended locations for the "biosurveillance exercises" (page 16, number 13). Can you clarify what is required?

Answer: During BP9, more than one clinic site per state will be required to transmit data. For the purpose of the PHEP requirement, we will need a clinic site located within the MSA that makes up your CRI region, and a clinic site located anywhere else in the state (2 sites). For New York City, Chicago, Los Angeles County and Washington, D.C., two clinic sites within the jurisdiction will meet the requirement. NCIRD may request that you transmit data from eight clinic sites, so we just wanted to make sure that two of those eight sites meet our requirement, too.

Question related to Pandemic Influenza Competitive Demonstration Projects

Question: When will notifications be made regarding the pandemic influenza competitive awards?

Answer: Notifications are expected sometime after June 30, with NOAs available by July 29.

Question: What should I do if I don't know if a project I submitted has been funded, but I want to pursue it regardless?

Answer: If you have proposed a project that you are committed to, we recommend that you submit it as part of your request to use unobligated pandemic influenza money. If you receive competitive pandemic influenza funding, it will be easy to justify a redirection of the supplemental funds.

Information Updates

- *Audit Requirements:* Page 6 of 41 of the guidance document provided incorrect information regarding submission of audit reports. Audit reports must be submitted to the

Federal Audit Clearinghouse with a copy to CDC.

<http://harvester.census.gov/fac/APPX3.htm>.

- *Laboratory Requirements:* While the current continuation guidance does not specifically restate the expectations and measures regarding lab activities, all activities called for in the PHEP Program Announcement AA154 are expected to continue. Because it may be difficult to tease those out of the older documents, we have developed a document, *Laboratory Capabilities and Outcomes*, posted on the same CDC website as the previous PHEP program announcement and guidance documents (<http://www.bt.cdc.gov/planning/coopagreement/08/labcapabilities.asp>), which restates the capabilities that labs, by type and level, are expected to demonstrate.

Previous guidance contained references to “required” staffing patterns or equipment purchases. In acknowledgement of grantee fiscal constraints, unique situations, and cross-border memoranda of understanding (MOUs), we have chosen for BP9 and future budget periods to emphasize expectations for the capabilities the grantees must have and the outcomes they must be able to achieve, rather than specifying “how” these are accomplished. This is not intended to undermine the importance of laboratory capability in any way; rather, CDC intends to establish specifically that laboratory capabilities and outcomes are essential to public health emergency preparedness and response and must be secured.

- *Evidence-Based Benchmarks and Objective Standards:* The third bullet in the Significant Changes Memo sent to grantees on May 23, 2008, provided incorrect information. The bullet should read:

“Evidence-Based Benchmarks and Objective Standards” is a new section that was added to reflect the information included in the Federal Register Notice. You are being notified about these benchmarks and standards because your performance in these areas during BP8 has the potential to affect your funding for BP10 (distribution of FY 2009 dollars). Nothing in this section should be new to you. The materials noted as being available on May 15 will be distributed in a separate e-mail next week.

We recognize that the data we have to analyze while we are making BP10 decisions are data submitted as part of your end-of-year (EOY) report in November 2008; as a result, data on which decisions are based are from two years previous to the period for which decisions are being made (i.e. BP8 data in November will be used in February 2009 to make BP10 decisions).

Additional Information on Division of Strategic National Stockpile (DSNS) Exercises

- *Exercise requirements:* There are three (3) major DSNS exercise requirements in the BP9 IPR. 1) Each planning jurisdiction within each CRI MSA is required to conduct three of the five DSNS drills by August 31, 2009. 2) At least one full-scale or functional mass prophylaxis dispensing exercise must be conducted in each CRI MSA in which each planning jurisdiction within that MSA participates. 3) At least one out of the five DSNS

drills must be conducted within a number of non-CRI local jurisdictions equal to the number of CRI MSAs in the state. For example, if there are two CRI MSAs within the state, then at least one drill must also be done in two non-CRI local jurisdictions.

- *States with technical assistance review (TAR) scores of less than 69:* Your DSNS consultant will work with states that have TAR scores of less than 69 to schedule additional reviews and to provide technical assistance.
- Grantees are not limited to conducting strictly traditional dispensing activities at traditional sites to fulfill the drill requirements. The data collection worksheets were constructed to be flexible enough to accommodate a variety of dispensing modalities. The type of dispensing activity should be included on the drill information page of the data collection worksheet. This will help provide more detailed metrics to assist state and local planners.
- SNS drills can be used in conjunction with other exercise requirements listed in the PHEP guidance, such as the demonstrated capability to notify staff to cover all incident management functional roles during a complex incident. One of the three DSNS drills is a call-down drill.
- The biosurveillance exercise requirement is for CRI and non-CRI jurisdictions to collect data on seasonal influenza vaccination doses administered. If the vaccination effort contains components that exercises a jurisdiction's dispensing and preparedness plans there may be an opportunity to combine compliance with the NCIRD exercise requirements. For example, if personnel must be notified to staff the vaccination effort (call down), if the site/location to be used to conduct the vaccination effort must have points of entry/exit etc established (facility set up), if the site/location to be used for the vaccination effort must be contacted to be able to use the site (facility activation).
- The full-scale exercise for the CRI MSA with participation from each of the planning jurisdictions within that MSA may have a call-down component, a facility that needs to be activated, a facility that needs to be set up to conduct activities or will be conducting dispensing activities.

Appendix 1
Code of Federal Regulations, Subsection 92.24

92.24 Matching or cost sharing.

(a) *Basic rule: Costs and contributions acceptable.* With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following:

(1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement.

This includes allowable costs borne by non-Federal grants or by others cash donations from non-Federal third parties.

(2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies.

(b) *Qualifications and exceptions—*(1) *Costs borne by other Federal grant agreements.*

Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant.

(2) *General revenue sharing.* For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.

(3) *Cost or contributions counted towards other Federal costs-sharing requirements.*

Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost sharing

or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.

(4) *Costs financed by program income.*

Costs financed by program income, as defined in § 92.25, shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistance agreement. (This use of general program income is described in § 92.25(g).)

(5) *Services or property financed by income earned by contractors.*

Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement.

(6) *Records.* Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.

(7) *Special standards for third party in-kind contributions.*

(i) Third party in-kind contributions count towards satisfying a cost sharing or matching requirement



only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs.

(ii) Some third party in-kind contributions are goods and services that, if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect costs. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.

(iii) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in:

(A) An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee) or

(B) A cost savings to the grantee or subgrantee.

(iv) The values placed on third party in-kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

(c) *Valuation of donated services—(1) Volunteer services.* Unpaid services provided

to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will

be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

(2) *Employees of other organizations.*

When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph (c)(1) of this section applies.

(d) *Valuation of third party donated supplies and loaned equipment or space.*

(1) If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.

(2) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.

(e) *Valuation of third party donated equipment, buildings, and land.* If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

(1) *Awards for capital expenditures.* If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching,

(2) *Other awards.* If assisting in the acquisition of property is not the purpose of the grant or subgrant, paragraphs



(e)(2) (i) and (ii) of this section apply:

(i) If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost-sharing or matching.

(ii) If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in § 92.22, in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated.

(f) Valuation of grantee or subgrantee donated real property for construction/acquisition.

If a grantee or subgrantee donates real property for a construction or facilities acquisition project, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost sharing or matching.

(g) Appraisal of real property. In some cases under paragraphs (d), (e) and (f) of this section, it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rate be certified by the grantee. This requirement will also be imposed by the grantee on subgrantees.