To: All Councils of Government
   All Texas State Homeland Security Grant Program Points of Contact
   Urban Area Security Initiatives (UASI) Groups

From: Machelle Pharr
       Deputy Assistant Director

Subject: Advance of Funds

44 CFR 13.12; 44 CFR 13.20(b)(7); 44 CFR 13.21(c); (Uniform Grant Management Standards)
UGMS Part III, Subpart C, §___21; Tex. Gov’t Code § 2251.021

This information bulletin establishes a formal process for sub-recipients receiving advances on Homeland Security Grant funds to subsequently provide proof of payment and demonstrate procedures are in place to minimize the time elapsing between the transfer of funds and their disbursement by the sub-recipient (44 CFR 13.21(c)).

This Information Bulletin supersedes GDEM-SAA Information Bulletin No. 9 dated January 10, 2008.

Upon receipt of the advance funds, the jurisdiction has 15 days to pay the vendor (44 CFR 13.20(b)(7)). The jurisdiction then has 30 days, after payment to the vendor, to submit proof of payment to the State Administrative Agency (SAA). The supporting documentation provided as proof of payment must include sufficient information for the SAA to determine the 15 day rule has been met, e.g. a copy of the cancelled check.

When submitting proof of payment, the jurisdiction will upload the supporting documentation into SPARS. (See SAA Information Bulletin 11-005 for required supporting documentation details.) After the documentation is reviewed and approved, the “POP Needed” status will be removed from the Hardship Proof of Purchase table.
If it is determined, a sub-recipient has repeatedly failed (three times within a 12 month period) to comply with the 30 day proof of payment requirements, the sub-recipient will be placed in a Reimbursement Only status. UGMS Part III, Subpart C, §___ .21 allows the SAA to require the sub-recipient to obtain future payments by reimbursements only. For all Federal grants administered by the SAA, the sub-recipient will be ineligible to receive advances for a 12 month period beginning with the date they were placed in the Reimbursement Only status. Any sub-recipient found to have repeatedly failed the 15 day or 30 day periods will be notified in writing by the Deputy Assistant Director, Texas Homeland Security (THS)/SAA.

The sub-recipient may appeal the Reimbursement Only status, by submitting a formal request to the Deputy Assistant Director, THS/SAA at the following email address: SAA@dps.texas.gov. Detailed and specific information must be provided in the formal request. A formal response will be sent to the sub-recipient within 14 days of receipt.

Sub-recipients with existing Advance of Funds outstanding will be required to submit Proof of Payment within 30 days of the effective date of this bulletin. Sub-recipients may access information on outstanding proof of payments through SPARS. On the homepage, scroll down to the Pending Tasks table to Hardship Proof of Purchases. The column “POP Needed” reflects the number, if any, of outstanding Proof of Payments.

If, after 30 days, sub-recipients have not provided the proof of payment for these outstanding advances (or for future advances), a letter of notification will be sent to the Executive Director or Elected Official and the point of contact for that sub-recipient. If no action is taken within 30 days from the date of the letter, all open grants for that sub-recipient will be locked until such time as all outstanding advances are resolved.

This Information Bulletin and the policies and procedures included become effective August 22, 2011.