


MEMORANDUM

To: East-West Gateway Council of Governments Sub-Recipients
From: Stacia Alvarez, Director of Administration 
Subject: Grant-Funded Equipment & Supplies Policy Changes
Date: October 13, 2022



The purpose of this memo is to notify you of changes to East-West Gateway's Policy for Grant-Funded Equipment & Supplies. These changes go into effect immediately and will affect the 2022 inventory reports and future reports. Below you will find a description of the policy changes.

Policy Changes

The policy updates include:

- A definition of grant-funded supply (GFS) Cache has been added to distinguish between supplies and cache supplies.
- The requirements that apply to grant-funded equipment also apply to GFS Caches, but no longer apply to grant-funded supplies that are not part of a cache. This change means that sub-recipients are no longer required to complete any of the following with respect to supplies that are not part of a GFS Cache:
 - Submit an annual inventory report for the supplies
 - Submit a disposition request to dispose of the supplies
 - Submit an Inventory Removal/Transfer Form to dispose of supplies
- A sub-recipient's inventory list will no longer include grant-funded supplies that are not part of a GFS Cache.
- A sub-recipient's inventory list will include GFS Caches for new cache purchases or significant updates only. Due to the age of existing GFS Caches, the GFS that were purchased prior to 10/13/2022 for these caches will not be included in a sub-recipient's inventory list. Additionally, a sub-recipient will not have a dedicated line-item in its inventory list of "GFS Cache" or similar to refer to an existing GFS Cache. Instead, if applicable, the sub-recipient's inventory list will include only equipment that is part of an existing GFS Cache – for example, a trailer or a generator. If a new GFS Cache is purchased after 10/13/2022, then the cache will be specifically listed as a line-item in a sub-recipient's inventory. Additionally, if grant funds are used to replace or update an existing GFS Cache after 10/13/2022 such that the new, unused GFS has an aggregate value that equals \$5,000 or more, then the sub-recipient's inventory list will be updated to include a specific line-item for the GFS Cache.
- The requirements for GFS Cache care and maintenance are more clearly defined. These requirements are not new; however, the policy has been updated to explicitly state what these requirements are.

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- The applicable term for the policy has been more clearly defined to inform sub-recipients that the policy's requirements will continue to apply to GFE and GFS Caches until the item has been disposed of in accordance with Section 14 of the Policy. This means that an entity's inventory list will include all GFE or GFS Caches until the Council approves the entity's written request to dispose of the items.
- Sub-Recipients need to provide the Council a fiscal or financial point of contact that the Council can communicate with about the value of, and financial accounting for, the grant-funded items.
- The Policy will be included in sub-awards that are issued on or after October 13, 2022 and will apply to any grant-funded items that were previously awarded.

Questions?

You can direct questions about the attached documents to me at staci.alvarez@ewgateway.org or (314) 421-4220. You can also submit questions about your entity's sub-award to your assigned grant administrator at:

Leah Watkins
leah.watkins@ewgateway.org
(314) 421-4220 ext. 208

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luke.miller@ewgateway.org
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Policy for Grant-Funded Equipment & Supplies

East-West Gateway Council of Governments (the Council) has issued this Policy for Grant-Funded Equipment & Supplies (Policy) that governs equipment and supplies that are purchased with state or federal grant funds. The Policy applies equally to the grant-funded equipment and supplies an entity receives by any of the following means:

1. Grant-funded equipment and supplies that are purchased by the Council and transferred to an entity either through a financial assistance sub-award agreement, memorandum of understanding, or other agreement,
2. Grant-funded equipment and supplies that are purchased by the entity with grant funds provided by the Council through a financial assistance sub-award agreement, memorandum of understanding, or other agreement, or
3. Grant-funded equipment and supplies that are transferred to the entity by another agency, city, county, district, hospital or other organization.

The requirements described in this Policy are effective upon issuance and may be updated periodically.

Questions about this Policy should be directed to:

Stacia Alvarez
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1. Definitions. The terms and acronyms described in this Policy have the meanings provided below.
 - a) **CFR** means the Code of Federal Regulations.
 - b) **DHS** means the U.S. Department of Homeland Security.
 - c) **DHHS** means the U.S. Department of Health and Human Services.
 - d) **Disposition** means transferring ownership of any grant-funded items to a different entity, selling grant-funded items to a different entity or person, recycling, throwing-away, or using another method of discarding the grant-funded items, or using other disposal methods whereby the entity is no longer the owner of the grant-funded items; except that, moving the grant-funded items from one location to another while retaining ownership of the item does not constitute a Disposition.
 - e) **Emergency** means a potential or actual mass casualty incident, man-made or natural disaster, or criminal terrorist incident.

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- f) **Equipment** means tangible personal property (including information technology systems) having a useful life of more than one (1) year and a per-unit acquisition cost that equals or exceeds one thousand dollars (\$1,000.00) that is purchased using grant funds and transferred to the receiving entity under the terms of a financial assistance sub-award agreement, memorandum of understanding, or other agreement.
- g) **FEMA** means the Federal Emergency Management Agency.
- h) **GFE** means grant-funded Equipment.
- i) **GFS** mean grant-funded Supplies.
- j) **GFS Cache** means GFS of the same type that are purchased for future use, are housed or stored together in one place, and that have an aggregate value that equals or exceeds five thousand dollars (\$5,000). Examples include, but are not limited to: medical supply cache purchased to stock a mass fatality trailer; urban search and rescue supplies purchased for a response trailer or truck.
- k) **HPP** means the Hospital Bioterrorism Preparedness Program.
- l) **IRTF** means the Inventory Removal/Transfer form that an entity uses to request the disposition or transfer of GFE or GFS Cache from its inventory.
- m) **MoDHSS** means the Missouri Department of Health and Senior Services.
- n) **MoOHS** means the Missouri Office of Homeland Security.
- o) **Omni Circular** means the federal regulations found at 2 CFR Part 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- p) **Policy** means this Policy for Grant-Funded Equipment & Supplies.
- q) **Region C** means the Missouri HCC Region C that covers the following geographical area: city of St. Louis, Missouri and the Missouri counties of: Franklin, Jefferson, Lincoln, Pike, Perry, St. Charles, St. Francois, St. Genevieve, St. Louis, Warren, and Washington.
- r) **Supply or Supplies** mean(s) any tangible personal property that does not meet the definition of Equipment that is/are purchased using grant funds and transferred to the entity under the terms of a financial assistance sub-award agreement, memorandum of understanding, or other agreement; however, any computing device that has a per-unit acquisition cost of less than one thousand dollars (\$1,000.00) is a supply regardless of the length of its useful life.
- s) **Urban Area** means the St. Louis Urban Area that includes the bi-state, eight county St. Louis metropolitan area served by the Council that includes: city of St. Louis, Missouri and Franklin, Jefferson, St. Charles, and St. Louis counties in Missouri and Madison, Monroe, and St. Clair counties in Illinois.

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2. Applicable Period. This Policy will be in effect upon the issue date and will remain in effect until the date that the GFE or GFS Cache has been officially removed from the entity's possession through the disposition procedures described in Section 14. The reporting and disposition requirements described in this Policy do not apply to GFS that are not part of a cache.
3. Use. An entity's use of the GFE, GFS Cache, and GFS is limited to the circumstances described in Section 3, Parts (a) – (d).
 - a) An entity must use the GFE, GFS Cache, and GFS for the program or project for which the Council or the entity purchased the GFE, GFS Cache, or GFS as long as the GFE, GFS Cache, or GFS are needed for that program or project and regardless of whether or not the project or program continues to be supported by the federal government.
 - b) During the time that the GFE or GFS Cache is used for the project or program for which it was acquired, the entity must also make deployable GFE or GFS Caches available for use on other projects or programs currently or previously supported by the federal government provided that this use will not interfere with the work on the project or program for which they were originally acquired. First preference for other use must be given to other projects or programs supported by MoOHS of MoDHSS, as applicable, and second preference must be given to other federally supported projects or programs.
 - c) The entity must also make deployable GFE or GFS Caches available to respond to an Emergency. During an Emergency, the Council, MoOHS, the Missouri State Emergency Management Agency, DHS, FEMA, MoDHSS, DHHS, or an emergency response agency in the Urban Area or Region C, as applicable, may request that the entity provide the deployable GFE or GFS Cache to respond to the Emergency. If the entity receives this type of request, the entity shall cooperate with the requesting entity to fulfill the request and shall either convey any deployable GFE or GFS Cache to the agreed upon staging location or otherwise make the deployable GFE or GFS Cache available for use during the Emergency. Nothing in this Section 3, Part (c), will be deemed to require the entity to provide any non-deployable GFE or GFS or to provide the deployable GFE or GFS Cache items to a requesting entity if the entity is using the deployable GFE or the GFS Cache to respond to an Emergency in the Urban Area or Region C, as applicable. This Section 3, Part (c) will not be deemed to supersede an existing mutual aid or similar agreement that the entity has in place with other entities for Emergency response.
 - d) In accordance with the Omni Circular § 200.313, the entity may also use the GFE or GFS Cache to support non-Federally supported projects or programs and may consider user fees, as appropriate.
4. Care. The entity must take reasonable care of the GFE, GFS Cache, and GFS and take active steps to protect it from loss, theft, damage, or destruction. The entity must also take reasonable steps to identify, dispose of, and replace any expired GFS that are part of a medical or similar cache. In the event of the loss, theft, damage, or destruction of any GFE or any GFS Cache items, the entity must follow the steps described in Section 5 to document the loss, theft, damage, or destruction the items. The entity must follow the steps described in Section 14 to dispose of any expired GFE or GFS Cache items. The entity is fully responsible to repair or

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replace any GFE or GFS Cache items that are lost, stolen, damaged, or destroyed due to the willful or negligent acts of the entity and any repaired or replacement GFE or GFS Cache items will be governed by this Policy to the same extent that the original GFE or GFS Cache items were governed. GFS that is a component of GFE or that is part of a designated cache, such as medical cache Supplies housed on a trailer, should be replaced by the entity when the GFS Cache items expire or are used or consumed during training, exercise, or deployment.

5. Loss, Theft, Damage, or Destruction. In the event that any GFE or GFS Cache items are lost, stolen, damaged, or destroyed, the entity must:
 - a) within ten (10) calendar days of the incident, notify the Council's point of contact designated in Section 15, Part (a) about the loss, theft, damage, or destruction,
 - b) promptly and properly investigate and fully document the loss, theft, damage, or destruction,
 - c) provide a copy of the investigative report and other documentation to the Council's point of contact designated in Section 15, Part (a),
 - d) retain a copy of the investigative report and other documentation in the entity's project records,
 - e) if the GFE or GFS Cache items were lost, stolen, damaged, or destroyed due to the willful or negligent acts of the entity, take steps to replace or repair the GFE or GFS Cache items, and
 - f) for GFE or GFS Cache items, within fourteen (14) calendar days of completing its investigation, complete, sign, and submit an IRTF to the Council's point of contact designated in Section 15, Part (a).
6. Maintenance. The entity must maintain all GFE and GFS Cache items in accordance with the manufacturer's guidance, the entity's standard operating procedures and guidelines, and accepted practices. At a minimum, the entity must maintain the GFE and GFC Cache so that each are in mission-ready condition. The entity is responsible for the costs associated with maintaining any GFE and GFS Caches and the cost of routine upkeep for GFE (e.g. gasoline, tire replacement, oil changes, inspections) are not costs that are eligible for reimbursement from any of the Council's grant programs. Upon the Council's request, the entity must submit maintenance logs for any GFE that requires regular maintenance (e.g. vehicles, trailers, generators).
7. Training. The entity is responsible for providing training to its personnel, as needed, in the proper and safe use of any GFE, GFS Cache, or GFS.

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8. Inventory & Reports. The entity is responsible for maintaining an up-to-date inventory of and preparing/submitting reports for all GFE and GFS Caches.
- a) **Inventory.**
- i) **Inventory Management System.** The entity must establish and utilize a proper inventory management system that allows the entity to track and account for any GFE or GFS Cache. If the entity has an existing inventory management system, then the entity may continue to use that system provided that the system allows the entity to capture and track each of the items of information described in the MoOHS Administrative Guide for Homeland Security Grants, section "Inventory," as it may be updated from time-to-time. A current edition of the Administrative Guide can be found online at: <https://dps.mo.gov/dir/programs/ohs/grantstraining/>.
 - ii) **Inventory Tags.** As part of its inventory practice, the entity must tag each piece of GFE. The entity may choose the method and type of tagging (e.g. barcode tags, numbered labels) provided that the tag includes a number that can be used to identify and locate the GFE. The entity must include these tag numbers on the ICF that is submitted to the Council when it receives the GFE or in its inventory reports.
 - iii) **Equipment Decals.** The Council will provide the entity with funding-source decals that must be attached to any vehicles, trailers, generators, or other mobile assets that are identified by the Council. The entity is responsible for ensuring that the decals are affixed to these types of GFE and in a location that is easily visible by members of the public and during any on-site inventory.
 - iv) **On-site Inventories.** The Council may elect to conduct on-site inventories of the GFE, GFS Cache, or GFS. The Council, to the extent possible and practicable, will notify the entity of the Council's intent to conduct an on-site inventory and will work with the entity to schedule a mutually convenient time and date for an on-site inventory. The entity must cooperate with the Council in the Council's effort to conduct an on-site inventory and must make its personnel and facilities available to the Council to conduct an on-site inventory.
- b) **Reports.**
- i) **Inventory Reports.** If the entity received or purchased GFE or a GFS Cache, the entity must update and return to the Council an inventory report in the form and format specified by the Council. The entity must submit its inventory report no later than October 15th of each year during the period described in Section 2. As part of its inventory reporting, the entity is responsible for calculating and tracking the depreciation of the fair market value of each item of GFE and will report this depreciation on the entity's inventory reports. The method that the entity uses to calculate the depreciation of the GFE must be consistent with the method the entity uses to calculate depreciation for the equipment that the entity purchases. With respect to any GFE or a GFS Cache that was disposed of

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during the reporting period, the entity must adhere to Section 14 with respect to reporting on the disposed of items. The inventory report must be submitted to the Council's point of contact designated in Section 15, Part (a). The entity's failure to adhere to this reporting requirement may cause the entity to be deemed ineligible to receive GFE, GFS, or grant funds in the future.

- ii) **Vehicle Mileage Logs.** If the entity's GFE includes a vehicle, then the entity must also maintain and submit vehicle mileage logs in the form and format specified by the Council. The entity must submit its vehicle mileage logs no later than October 15th of each year during the period described in Section 2. At a minimum, the vehicle mileage log must capture the information described in the MoOHS Administrative Guide for Homeland Security Grants, "Vehicles, Usage Log" section, as it may be updated from time-to-time. A current edition of the Administrative Guide can be found online at: <https://dps.mo.gov/dir/programs/ohs/grantstraining/>. The vehicle mileage logs must be submitted to the Council's point of contact designated in Section 15, Part (a). The entity's failure to adhere to this reporting requirement may cause the entity to be deemed ineligible to receive GFE, GFS, or grant funds in the future.

9. **Insurance.** In accordance with the requirements described in its agreement with the Council, the entity must carry property and casualty insurance coverage to protect any GFE and this insurance must be of the same character and amount that the entity carries to protect any of its own property (e.g. equipment, vehicles). The entity must obtain this insurance from a company authorized to issue insurance in Missouri (for entities formed under Missouri law) or Illinois (for entities formed under Illinois law) or must provide the insurance coverage through a self-insurance program. The entity must submit proof of insurance coverage, upon the Council's written request, but, at a minimum, no later than sixty (60) calendar days after the entity receives the GFE and, thereafter, no later than October 15th of each year during the period described in Section 2. If the entity is relying on a self-insurance program to provide the insurance coverage, then the entity's proof of insurance must be demonstrated through a signed, written statement to the Council regarding the self-insurance program and certifying that the program meets the insurance requirements. The entity must submit this proof of insurance to the Council's point of contact designated in Section 15, Part (a). The entity must also, upon written request, provide the Council written copies of its insurance policies.
10. **Title and Registration.** The entity must ensure that any vehicle, trailer, or similar GFE is properly titled and registered with the appropriate state agency and in accordance with the state's requirements. The entity must submit proof of title and registration no later than thirty (30) calendar days after titling and registering any vehicle, trailer, or similar GFE. The entity must submit this proof to the Council's point of contact designated in Section 15, Part (a).
11. **Location.** The entity must notify the Council of the storage location the entity has selected for the GFE or a GFS Cache and must notify the Council in writing about any permanent changes to the GFE's or GFS Cache's storage location within fourteen (14) calendar days of the location change. The notices required by this Section 11 must be submitted to the Council's points of

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contact designated in Section 15, Parts (a) and (b). The entity may select the storage location for the GFE or GFS Cache; however, the storage location must, at a minimum, be:

- a) accessible to the entity or the entity's designee twenty-four (24) hours a day, seven (7) days a week,
- b) secure enough to protect the GFE or GFS Cache from loss or theft, and
- c) within the Urban Area or Region C, as applicable, unless the Council has provided its express written authorization for the GFE or GFS Cache to be stored outside the Urban Area or Region C, as applicable.

12. Entity's Logistics or Inventory Points of Contact. The entity must notify the Council's points of contact designated in Section 15, Parts (a) and (b) of the entity's primary and secondary points of contact that the Council or other officials may use to contact the entity about the GFE or GFS Cache. It is recommended that the entity designate a dispatch center as its primary point of contact. For both the primary and secondary points of contact, the entity must provide the person's (as applicable):

- a) name;
- b) title;
- c) e-mail address;
- d) business mailing address; and
- e) a phone number at which the point of contact can be reached twenty-four (24) hours a day / seven (7) days a week.

13. Entity's Financial Point of Contact. The entity must notify the Council's point of contact designated in Section 15, Part (a) of the entity's financial or fiscal point of contact that is responsible for the entity's annual audit or preparation of the entity's yearly financial statements. The entity must provide the person's:

- a) name;
- b) title;
- c) e-mail address;
- d) business mailing address; and
- e) phone number.

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14. **Disposition and Obligation.** If the entity determines that it wishes or needs to dispose of any GFE or a GFS Cache, then the entity must adhere to the procedures and requirements described in Section 14, Parts (a) and (b). The entity's obligation to the Council for a Disposition is described in Section 14, Part (b). The entity's failure to adhere to the requirements described in Section 14, Parts (a) and (b) may cause the entity to be deemed ineligible to receive GFE, GFS, or grant funds in the future.
- a) **Disposition.** The entity is not permitted to undertake a Disposition without first obtaining the Council's prior written authorization. To obtain the Council's prior written authorization, the entity must complete, sign, and submit an IRTF to the Council's point of contact designated in Section 15, Part (a). The Council will determine if the GFE or GFS Cache is eligible for Disposition, based upon the criteria described in Section 14, Part (a)(i), and will notify the entity in writing if, and to what extent, the Disposition is approved.
- i) GFE or a GFS Cache is eligible for Disposition if the item meets any one or combination of the following criteria:
1. Is no longer needed for the project or program for which it was originally acquired and it is not needed for any other DHS or DHSS project or program, as applicable.
 2. Is expired, defined as past the item's useful shelf life.
 3. Is obsolete, defined as no longer in use or no longer capable of being used due to changes in methods, procedures, or technology.
 4. Was consumed during training, an exercise, a deployment, Emergency response, or similar activities.
 5. Upon the **later occurrence** of: (A) five (5) years have passed since the date on which the entity took possession of the GFE or GFS Cache; (B) the fair market value of the GFE is zero (0); (C) or the aggregate residual value of the unused GFS Cache items is zero (0).
- b) **Obligation.** Once the entity obtains the Council's prior written authorization for a Disposition, the entity's obligations to the Council are as follows:
- i) For GFE with a per item fair market value of \$5,000 or less or GFS Caches with unused Supplies with an aggregate residual value of \$5,000 or less, the entity may dispose of the items without further obligation to the Council.
- ii) For GFE with a per item fair market value of more than \$5,000 or a GFS Cache with unused Supplies with an aggregate residual value of more than \$5,000, the entity may dispose of the items; however, the Council will have a right to the fair market value proceeds from the sale of the GFE or unused Supplies in the GFS Cache. The entity will return to the Council the fair market value proceeds from the sale of the GFE or Supplies in the GFS Cache and must cooperate with the Council's effort to obtain the fair market value proceeds from the sale. The

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Council will notify the entity about the deadline for returning the proceeds to the Council and the method and form that the entity must use to return the proceeds to the Council. The entity's failure to adhere to the requirements described in this Section 14, Part (b)(ii) may cause the entity to be deemed ineligible to receive GFE, GFS, or grant funds in the future.

- iii) For GFS that are not part of a cache, the entity may dispose of the item(s) without further obligation to the Council.
- iv) Upon the entity's Disposition conducted in accordance with Section 14, the GFE or GFS Cache that is disposed of will be removed from the entity's inventory and the entity will have no further obligation to track and report on disposed GFE or GFS Cache.

15. The Council's Points of Contact. The Council points of contact are as follows:

- a) **Admin Point of Contact.** Leah Watkins; leah.watkins@ewgateway.org; (314) 421-4220.
- b) **STARRS Point of Contact.** STARRS@ewgateway.org.

16. Inventory List, Appendix III, and SEFA Report. The Council will provide the entity with reports describing the GFE, GFS Cache, or GFS received from the Council. These reports are described in Section 16, Parts (a) through (c).

- a) **Inventory List.** The Council will provide the entity an inventory list at least once per year. The Council will send this report to the entity's designated logistics/inventory point of contact. The inventory list will include the GFE and GFS Caches that entity as received from the Council and that have not been disposed of in accordance to Section 14. The entity will use this inventory list to provide its annual inventory report.
 - i) **Existing GFS Caches.** Due to the age of existing GFS Caches, the GFS that were purchased prior to 10/13/2022 for these caches will not be included in an entity's inventory list. Additionally, an entity will not have a dedicated line-item in its inventory list of "GFS Cache" or similar to refer to an existing GFS Cache. Instead, if applicable, the entity's inventory list will include only equipment that is part of an existing GFS Cache – for example, a trailer or a generator. If a new GFS Cache is purchased after 10/13/2022, then the cache will be specifically listed as a line-item in an entity's inventory. Additionally, if grant funds are used to replace or update an existing GFS Cache after 10/13/2022 such that the new, unused GFS has an aggregate value that equals \$5,000 or more, then the entity's inventory list will be updated to include a specific line-item for the GFS Cache.
- b) **Appendix III.** When the Council issues a sub-award to the entity for GFE, GFS Caches, or GFS, the Council will provide the entity an Appendix III: Equipment & Supplies List that describes the grant-funded items that the Council is providing the entity through the sub-award. As needed during a sub-award performance period, the Council will send the entity an updated Appendix III. If the Council purchases for and transfers to the entity any grant-funded equipment, supply cache, or supplies that are not described in



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Appendix III on the date that the sub-award is executed, then the Council will, at a minimum, send the entity an updated Appendix III during project close-out. Upon request by the entity, the Council will submit an updated Appendix III to the entity prior to project close-out; however, the Council is not obligated to submit an updated Appendix III to the entity more than once per calendar year.

- c) **SEFA Report.** Upon request, the Council will provide the entity a report on its GFE or GFS Caches that the entity needs to complete is Schedule of Expenditures of Federal Awards (SEFA) as part of the entity's Single Audit. The entity should provide the Council sixty (60) days advanced notice of its need for the SEFA report. This request should be submitted to the Council's designated point of contact in Section 15, Part (a).