

HOSPITAL PREPAREDNESS PROGRAM (HPP) FREQUENTLY ASKED QUESTIONS (FAQs)

EQUIPMENT QUESTIONS

1. Who “owns” the items purchased with grant funds? Ownership of the items especially as it relates to inventory taxes, insurance and storage costs.

Any item purchased with HHP grant funds is deemed to be a federal asset. However, the recipient of the equipment shall retain the title to the equipment and should not sell, donate or dispose of equipment unless it is in accord with state and federal purchasing rules. The recipient is responsible for the purchase and payment of all inventory taxes, insurance, and/or storage costs associated with items purchased with HHP Grant funds.

Purchases that have been made on behalf of the region (i.e. ham radio, western shelter tents, etc.) are “owned” by the recipient but are deemed to be a regional asset and are available for use by other members of the region upon request. The recipient is responsible for all inventory taxes, insurance, and/or storage costs, but may request additional funds via the Allocation Model to support the operations of the purchase.

As a best practice, it is prudent for regional assets to have a written agreement or regional Memorandum of Understanding (MOU) that addresses at a minimum: storage of the asset, activation of the asset, and notification protocols. If applicable, a written process for leasing and insurance should also be included in the document.

2. If my organization closes or no longer accepts grant funds, what must I do with the equipment and supplies purchased with grant funds?

If your organization closes or no longer accepts grant funds, your organization may retain, sell or dispose of items that have a current per-unit market value of **less than \$5,000**. If the current per-unit fair market value is **greater than \$5,000**, your organization may retain or sell the items, but the awarding agencies, federal HHS and/or Louisiana DHH has a right to the fair market value or proceeds from the sale multiplied by their share of the equipment per 45 CFR 92.32(e). As an alternative, organizations may donate equipment to another eligible recipient as provided in question 4(c).

3. What responsibility does the recipient have to make purchases available to the State and under what circumstances?

The equipment shall be used to meet local, regional and state medical surge needs and can be used for training, drills and response activities related to mass casualty incidents and other local, regional and/or state disasters. If needed, the State along with the Grant Principal Investigator (PI) may request and direct the use of grant purchased equipment in a state or parish declared emergency. As a working policy, equipment purchased with grant funds should be used to provide “for the greatest good” for the citizens of Louisiana.

4. What is the process for the disposal of purchases – unusable, depreciated, expired, broken, or lost?

When equipment is purchased with federal funds and the equipment is being considered for disposal, per 45 CFR 74:31-34 the recipient may:

- a. **Sell the equipment and use funds for other allowable projects.** If equipment is sold, recipient must use the sales proceeds (the percentage of HHS funds used to purchase the original item) to purchase another allowable HHP grant project. The recipient may, however, deduct and retain from the HHP share \$500 or ten percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.
- b. **Dispose of the equipment.** When disposing of equipment, the recipient should make a record including how items were disposed of, the disposal date and reason for the disposal of equipment/supplies. It is recommended that a photograph of item(s) be taken and included as part of your documentation.
- c. **Donate equipment to another recipient.** When donating equipment, a transfer of ownership form should be completed to document that recipient is no longer in possession of the item. Item must only be donated to another eligible recipient of HHP grant funds.

5. What are the recipient's replacement obligations for expired, broken, or lost items?

The HPP grant funds have been provided to Louisiana to assist in the development of medical surge capabilities. Each participating recipient should develop internal procedures to maximize the ongoing availability of assets acquired with grant funds through rotation, maintenance procedures, etc. However, there will be incidents, events, trainings, etc., in which an asset may be used, become broken, lost or expire. The recipient should identify and maintain an inventory of these items to be replaced with future grant funds.

Recipients are strongly encouraged to rotate items where feasible to reduce the number of expired items.

The recipient is responsible for maintaining records regarding the status of items purchased with HHP grant funds including those expired, broken or lost. Records for property and equipment acquired with federal funds shall be retained for three (3) years. Records may be required to be kept longer under certain circumstances. Please see question 10(b) for more information.

6. What assurances are there of replacement grant funds?

While Louisiana has received Hospital Preparedness Program grant funds since 2002, there are no guarantees grant funds will continue. Participation in regional healthcare coalitions does not require accepting grant funds and all hospital and EMS providers are encouraged to continue taking part in coalition meetings.

7. Who determines the appropriate use of funds? Is there an approval process?

The grant was intended for medical surge planning. The HPP Advisory Group as well as the HPP Grant PI and monitoring staff review the receipts in light of the grant's intent. The grant guidance as well as the HPP Cost Directives published by the federal government identifies what is un-allowable. The Participation Agreement

provides organized material from the grant guidance and cost directives manual; hence, the recipient should make purchases within the parameters of the Participation Agreement. A budget proposal is submitted to HHS Grant Staff PRIOR to purchases being made so that any “problems” can be flagged and grant dollars redirected if the proposal identifies a project that may be at-risk for being unallowable by grant guidance.

If the requested item is not listed on Participation Agreement, recipient must obtain approval from the HHS Grant Staff prior to purchase. To obtain approval, recipient must submit a written request including the approximate cost, how equipment will help the recipient and/or region meet its spending guideline and an assessment ensuring the project officer that all other spending guidelines as stated in Participation Agreement has been met. All requests for equipment will be reviewed and approved on a case-by-case basis, pending the submission of the assessment, the detailed justification for the equipment and a budget.

8. Who determines the appropriate use of equipment? Can the purchase(s) be used on a daily basis?

Non-Disposable Equipment over \$1,000 – Radios and other equipment that may lose functionality if it sits without use should be used on a daily or frequent basis to maintain operability. Trailers, ventilators, spine boards and generators, are some examples of non-disposable equipment costing over \$1,000. Pharmaceuticals should not be used on a daily basis but set aside for readiness upon being formally activated by the State. Please note that for pharmaceuticals, the surge cache should not be used on a daily basis, but the cache should be rotated to ensure an updated cache is available for surge.

Disposable Material under \$1,000 – Disposables such as gloves, gowns, masks should be handled similarly to pharmaceuticals. The purpose of the grant was to ensure medical caches were available for a surge event. If these materials are used on a daily event, it defeats the purpose of the grant and having a surge cache.

a. Can the purchases be used to respond to an in-state event? Is there an approval process?

Yes, the equipment can be used to respond to an in-state event. For regionally-owned purchases like trailers or tentage, the recipient should notify their regional partners that the trailer/tentage is being used in their region for a specific regional purpose; or alternatively, that the region’s trailer/tentage is being moved to another region. Out of professional courtesy to the regional community, notifying them of the asset’s movement not only endorses regional communication collaboration but also provides visibility that an asset is being redirected and may be temporarily unavailable to their region. As a best practice, it is prudent for regional assets to have a written agreement or Regional MOU that addresses at a minimum: storage of the asset, activation of the asset, notification protocols. If applicable, a written process for leasing and insurance should also be included in the document.

Formal approval process will be developed and distributed at a later date to allow the draft process to be vetted with Hospital Designated Regional Coordinator (DRC) structure before final adoption.

b. Can purchases be used to respond to an out-of-state event? Is there an approval process?

Yes, HPP purchased equipment can be used to respond to an out-of-state event. See above steps. The final step is to seek approval from the State as movement of an HPP asset to an out-of-state event will require an Emergency Management Assistance Compact (EMAC). The Governor’s Office of Homeland Security (GOHSEP) is the formal point of contact for negotiating the use of an EMAC asset with another state. State ESF-8 will work closely with GOHSEP to identify assets to be moved out of state. The EMAC

is an agreement among states to provide assistance after a disaster has overwhelmed a state's capacity to manage consequences. The compact, initiated by the states and coordinated by the National Emergency Management Association, provides a structure for requesting emergency assistance from other states. A website, www.emacweb.org provides training and the necessary forms for EMAC. Of course, pre-identifying resources and filling out these forms ahead of time will shorten the response time to send an asset to another state.

9. What spending restrictions exist?

Per the HHP Cost Directive Manual, grant funds may **NOT** be used for the following expenditures:

- a. **New construction** - New construction is interpreted as "bricks and mortar" that changes the footprint or square footage of an existing structure.
- b. **Subscription charges** - Facilities cannot use HHS funds to pay subscription cost such as cellular phones, mobile network charges for employees who do not work 100% of their time on emergency preparedness and response.
- c. **Vaccines and Antivirals**—Facilities should not purchase vaccines and/or antivirals using HHS grant funds. The purchase of antivirals and vaccines are not encouraged due to efficacy changes from year to year.
- d. **Personnel Cost** – Personnel Cost is unallowable for use of HHS grant funds with the exception of full-time grant personnel such as Administrative Designated Regional Coordinator positions. Personnel cost for attending emergency preparedness meeting and participation in regional drills may be used toward match requirement. However, routine participation in emergency management exercises and drills may not be used.

HHP funds may, however, be used on the following with prior approval and when the critical benchmarks listed in Participation Agreements have been met. Approval may be given when the purchase is clearly linked to benchmark (spending guideline), and cost is justified and reasonable.

- a. **Security Equipment** – Security equipment for site management and surge capacity during any mass casualty incident may be purchased using HHS grant funds, but prior approval must be received.
- b. **Vehicles** – Although vehicles may be allowable purchases, it is strongly recommended that other low cost options such as lease agreements or contracts with vendors providing these kinds of services are obtained as alternative options instead of the purchase of high priced vehicles. **It is very likely that vehicle purchase requests will be denied.**
- c. **Trailers/Storage Sheds** – Due to the limited amount of storage space in many facilities, trailers and storage sheds may be purchased in order to provide storage space and the ability to transport caches throughout the state.
- d. **Leased Warehouse Space** - Rental costs are allowable to the extent that the rates are reasonable at the time of the decision to lease. Reasonableness is based on rental costs of comparable property, market conditions in the area, the type, life expectancy, condition, and value of the property leased and available alternatives.

- e. **Retrofitting** - Retrofitting costs are allowable. However, new construction is not permitted. Retrofitting costs must be submitted in writing to the HHS staff for pre-approval.

To obtain approval, recipients must submit a written request including the approximate cost, a summary explaining how equipment will help the recipient and/or region meet its spending guideline and an assessment ensuring the project officer that all other spending guidelines as stated in Participation Agreement has been met. All requests for equipment will be reviewed and approved on a case-by-case basis, pending the submission of the assessment, the detailed justification for the equipment and a budget.

10. How long must the recipient keep grant documentation? What on-going documentation is required for the recipient to keep?

Per 45 CFR 74:53, financial records, supporting documents, and all other records pertinent to an award should be retained for a minimum of three (3) years from the date of submission of the final expenditure report or date of the submission quarterly or annual financial report.

Documentation should be kept longer under the following circumstances:

- a. If any litigation, claim, financial review and/or audit is started prior to the expiration of the three (3) year period, records should be retained until all litigation, claims, financial reviews and/or audit findings have been resolved and action has been taken; and
- b. If **real property and equipment** acquired with Federal funds has been disposed of and/or transferred to another eligible recipient, records shall be retained for 3 years after final disposition.

11. What should be included on the recipient's property records and inventory list?

Equipment acquired with Federal funds and federally-owned equipment must include the following:

- a. A description of the equipment;
- b. Manufacturer's serial number, model number, federal stock number, national stock number, or other identification number;
- c. Source of the equipment, including the award number;
- d. Whether title vests in the recipient or the Federal Government (proportionate share);
- e. Acquisition date and cost;
- f. Percentage of HHS's share in the cost of the equipment;
- g. Location and condition of the equipment and the date the information was reported;
- h. Unit acquisition cost; and

- i. Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the HHS awarding agency for its share.

FINANCIAL QUESTIONS

12. If my organization receives Health and Human Services (HHS) Grant funds, are there Financial Statement Reporting requirements?

Yes, you may be subject to State and/or Federal Financial Statement Reporting requirements. Below are the eligibility requirements to determine whether you are required to submit a report.

Louisiana State Requirement

According to La. R.S. 24:513, the entities listed below must submit an annual financial report to the Legislative Auditor no later than six months after their fiscal year ends.

- a. **Any not-for-profit recipients** that receive or expend any (from the first dollar) local or state assistance **including grants**, loans, transfers of property, awards, and direct appropriations from state or local public funds; and
- b. **Any organization, either for-profit or not-for-profit recipients** that are subject to the open meeting laws and derives any portion of its income from payments received from any public agency or body.

The financial report may consist of an audit, review, or a compilation engagement. The type of engagement your certified public accountant (CPA) firm performs will be based on the recipient's annual revenue amount. Please review La. R.S. 24:513 for the type of financial report that is necessary for the recipient to file.

In addition, the financial report must be performed by an approved CPA firm that is listed on the State's approved list. The list of approved CPA firms can be found at <http://www.la.la.gov/userfiles/file/cpalisting.xls>. A copy of your recipients' financial report must be provided to the legislative auditor within six months of your recipient's year end.

For a list of non-compliant entities, please visit www.app1.la.state.la.us/LLANon-ComplianceList.nsf. If you have any questions and/or need further guidance, contact the Legislative Auditor's office at (225) 339-3800.

Federal Requirement

According to the Office of Management and Budget Title 2, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards, Non-Federal entities that expend or receive \$500,000 or more in a year in Federal funds (excluding Medicare and Medicaid Awards) shall have a single or program-specific audit conducted for that year.

For a list of non-compliant entities, please visit www.harvester.census.gov/sac/dissem/asp/download.asp. If you are required to submit an A-133 Single Audit, please submit the required documentation to www.harvester.census.gov/fac/collect/ddeindex.html. If you have any questions regarding submission of your audit report, please contact the Federal Audit Clearinghouse via at govs.fac@census.gov or (800) 253-0696. If further technical assistance is required, please visit the Federal Agency Contact (Appendix III of OMB A-133) at <https://harvester.census.gov/fac/APPX3.htm>.

To ensure good stewardship of grant funds, the Louisiana Hospital Association Research and Education Foundation (LHAREF) has a fiduciary responsibility to verify that all facilities are in compliance with all Federal and State Financial Statement Reporting requirements.

If your organization is listed on any State and/or Federal non-compliance list, you may not be eligible to receive HHS Grant funds.

13. What are the requirements of participation?

All licensed hospitals and EMS providers are eligible to participate in the grant program and can become recipients of funds. However, to receive funding from the HHS grant program, recipients must be in compliance with the 11 National Incident Management System (NIMS) implementation activities. This requires recipients to submit a NIMS Compliance Worksheet indicating they have met the 11 implementation activities.

For more information about NIMS activities, please visit www.lha-foundation.org under the “HHS Emergency Preparedness” section.

14. What do I need to submit receive grant funds?

To participate in the HHS grant program, participants must return a signed Participation Agreement and a **signed** Budget Proposal. Recipients should also verify organization contact information in the ESF8 Portal is accurate and up-to-date.

15. What is the grant reimbursement process?

Funds are provided on a reimbursement basis. Acceptable Documentation of Proof Payment should equal the total obligation amount including a 10% match as noted on your Participation Agreement.

16. What do I need to submit to be reimbursed?

To obtain reimbursement, participants need to submit (1) the HHS Grant Summary Worksheet signed by the CFO, (2) a print-out of expenditures from the electronic Grant Management System, (3) copies of their Acceptable Documentation of Proof of Payment on one of the documentation dates mentioned in the Participation Agreement.

17. Is there a match requirement?

Recipients are expected to provide a 10% match the Reimbursable Limit noted on the Participation Agreement.

Please note that any expenses submitted by your organization over the Total Obligation Amount, as noted in your Participation Agreement, may be used to satisfy Louisiana’s HHS match requirement for the Administrative Designated Regional Coordinator (ADRC) positions and/or regional projects. Therefore, any match and/or

overage your recipient submits cannot be used for any other federal grant or procurement contract or any other federal or state reimbursement.

18. How can recipients document the 10% match?

Per 45 CFR 74.23, matching expenses must be allowable, documented and verifiable, not included in any other federally funded program, and must be included in the approved budget.

Recipients can document the match in several ways:

- a. Direct cash – Examples of direct cash include costs incurred by a recipient that are more than the Reimbursable Limit noted on your Participation Agreement that directly/indirectly support the Emergency Preparedness plan for the recipient or region;
- b. Staff time for attending Emergency Preparedness meetings – If a recipient chooses to demonstrate the match in staff time, then required documentation such as sign-in sheets, meeting agenda and a meeting summary showing a reasonable dollar value must be submitted so as to support the dollar amount of the in-kind staff time;
- c. Mileage for attending Emergency Preparedness meetings – If a recipient chooses to use the match in mileage, then required documentation such as the map quest directions calculating the mileage, the travel authorization or vehicle request form, and the participant’s reimbursement check should be submitted. The mileage summary should only reflect a reimbursement of 0.51 per mile up to 99 miles per round trip (per state travel guidelines), although the reimbursement from the organization may be greater;
- d. On-Campus Storage Space – If a recipient is currently storing HHS grant equipment or emergency preparedness equipment in a designated storage room on your organization’s campus, the cost of the storage space may be used toward the match. If the recipient chooses to demonstrate the match using storage space, documentation supporting the cost of the storage space must be submitted with Acceptable Documentation of Proof of Payment.
- e. On-Campus Meeting Space – If a recipient sometimes holds meetings or classes related to Emergency Preparedness, the cost of the meeting space may be used toward the match. The calculation of cost should include a description of the space, cost of utilities and other maintenance costs. Documentation supporting the cost calculation must be provided with Acceptable Documentation of Proof of Payment.
- f. To document the match, please use the HHS Grant Summary Worksheet. The Grant Summary Worksheet must be submitted with Acceptable Documentation of Proof of Payment. Matching expenses and/or any overage may not be used as a claim for any other federal grant or procurement contract or any other federal or state reimbursement.

19. What do I have to submit for Acceptable Documentation of Proof of Payment?

Recipients must submit Acceptable Documentation of Proof of Payment in order to obtain reimbursement. Acceptable Documentation of Proof of Payment includes the following:

- a. Receipts stamped "Paid" along with the "check number" and "date paid".
- b. Copies of the corresponding check(s) used to pay invoice/receipt.
- c. Invoice(s) indicating items have been paid with a credit card. Credit card payments must be accompanied by the credit card statement and proof of payment of the credit card statement.
- d. If claiming sales taxes that are not listed on the invoice/receipt, documentation supporting your tax percentage should be submitted, including a copy of the quarterly tax return and GL showing the amount paid.
- e. If purchases were paid using an electronic funds transfer (EFT), a tracking or reference number along with the date of the transfer and signature authorizing this payment should be written on the invoice.

20. When can a recipient submit their Acceptable Documentation of Proof of Payment for reimbursement?

Recipients must submit documentation electronically through the Grant Management System as well as mail a hard copy to the HHS grant staff by one of the documentation deadline dates stipulated in the Participation Agreement. Reimbursement checks will be issued within 15 days of receipt of funds from the Department of Health and Hospitals. This process should be completed within 60 days from the documentation deadlines.

21. Can a recipient submit Acceptable Documentation of Proof of Payment for partial payment or in increments?

All documentation should be submitted at one time. If for some reason the recipient has not spent the Total Obligation Amount and does not plan to purchase additional items, the recipient must submit a letter stating that the remaining funds are forfeited. If they fail to submit a letter forfeiting the remaining funds or if they fail to submit the appropriate documentation of proof of payment on the first deadline, the recipient's grant documentation will be held and not processed until the last documentation deadline.

22. What happens if a recipient does not submit documentation by the established due date?

Recipients must contact the HHS Grant Staff if it is anticipated they will be unable to submit documentation by the established deadline. Requests for extensions will be evaluated on a case-by-case basis.

23. How do I submit my Acceptable Documentation of Proof of Payment?

Recipients will be required to use the electronic Grant Management System to submit grant documentation. The Grant Management System can be found on the ESF 8 Portal at www.lha-foundation.org or www.dhh.louisiana.gov. Recipients will be required to submit Acceptable Documentation of Proof of Payment for the Total Obligation Amount prior to being reimbursed. Recipients must upload and mail all copies of Acceptable Documentation of Proof of Payments. Training to use the Grant Management System will be offered

prior to the first documentation deadline. Please visit the LHAREF calendar at www.lha-foundation.org for training dates.

24. What about regional projects? Will partial receipts be accepted?

Regional projects will be handled on a case by case basis.

25. How can hospitals within the region support matching for a regional project?

Hospitals within a designated region may submit eligible expenses in support of the match requirement for a defined regional project. Matching expenses may include eligible expenses for equipment and supplies which the hospital would have submitted for reimbursement, staff time to attend emergency preparedness meetings, mileage for travel to emergency preparedness meetings, cost of meeting space and cost of storage space.

Matching expenses submitted in support of a regional project may not be used for any other federal or state matching program.