

Dear Public Safety Interoperable Communications (PSIC) Applicant,

The PSIC Grant Program will allow scope and budget modifications to approved Investments. Attached is guidance that provides an overview of allowable Investment modifications and the process for obtaining Investment modification approval. Please note that no action is required if there are no changes in budget or scope to approved Investment Justification (IJ). A brief summary of the guidance is provided below.

Application Process

The State Administrative Agency (SAA) is the official PSIC grantee, and only SAAs may file Investment budget or scope changes. Sub-grantees wishing to make modifications must make a request through the SAA.

Allowable Modifications and Application Review

The Investment change request must adhere to allowable modification guidelines delineated in the attached documentation. Change requests will be reviewed by the PSIC Program Managers to ensure compliance with statutory and program requirements.

Budget Funding Summary

For those States and Territories seeking a budget modification, the pre-populated and approved Overall Funding Summary is available upon request by sending an email to psic@dhs.gov.

Audit

Should an audit occur, the auditors will need documentation that the Investment being implemented is approved by the PSIC Grant Program. Therefore, obtaining PSIC Grant Program approval to change the scope or budget will be required to ensure audit compliance for modified Investments.

States and Territories should submit scope and budget modifications to the PSIC general account at psic@dhs.gov.

If you have any questions regarding the modification process, please contact Laura Pettus at lpettus@ntia.doc.gov or Carolyn Dunn at Carolyn.dunn@dhs.gov

Sincerely,

Department of Commerce
National Telecommunications and Information Administration

Department of Homeland Security
Federal Emergency Management Agency Grant Program Directorate

BUDGET AND SCOPE MODIFICATION PACKET

The following packet has been developed to provide the State Administrative Agencies (SAAs) with some direction on how to request modifications to budgets and scopes for portfolio and individual investments for the Public Safety Interoperable Communications (PSIC) grant program.

A budget modification may be necessary when Investments require additional or reduced funding amounts. A scope modification may be necessary when the requirements in the approved grant narrative cannot be fulfilled with the existing plan or period of performance. The information provided in the next few pages will outline how the SAA can define, submit, and receive an approved budget or scope modification. This packet contains three main sections:

1. Modification Policy and Requirements
2. Modification Instructions
3. Modification Worksheet

Modification Policy and Requirements

A. Allowable Modifications

Grantees are allowed to request modifications to the IJ during the grant period of performance. Modifications may be made to individual Investments or within the approved Investment portfolio. States and Territories should minimize the number of modifications by combining requests.

A modification can entail any of the following:

- Budget change
- Scope change

B. A written request and prior approval by the National Telecommunications and Information Administration (NTIA) and the Federal Emergency Management Agency (FEMA) are required for modifications to the PSIC Investments for the following categories:

1. **Budget** modifications that
 - a. Include the transfer of funds among cost categories (i.e., Acquisition, Deployment, Planning and Coordination, Training, Management and Administration, Statewide Planning¹) that are expected to exceed ten percent of the total approved Investment budget
 - b. Include the transfer of funds between approved Investments which exceed or are expected to exceed ten percent of the total approved budget for any Investment
 - c. Impact the non-federal minimum matching requirement
2. **Scope** modifications that
 - a. Include a revision of interoperable communications gap being addressed with the Federal funds
 - b. Include a revision to the proposed solution or a new technology approach
 - c. Include a revision of the overall objective of the Investment

Note: In addition to separate budget and scope modifications, the guidelines mentioned above are also applicable for scope changes that result in a budget change.

C. Limitations to modifications

Modifications will NOT be approved for any revisions that result in:

1. The need for additional funding to the Federal award
2. An Investment with unallowable costs
3. The reduction of funding to Strategic Technology Reserves (STR) minimum amount²

¹ Statewide planning funds that are unexpended may be transferred from the Statewide Planning cost category to another cost category.

² The revised grant guidance (8/16/07) set out a minimum presumptive STR funding level for each State and Territory. Unless a waiver was sought and granted at the time of the IJ approval, States and Territories must meet the minimum STR funding level or risk losing the STR funds. The State and Territory may seek a modification to the scope or technology approach of the STR solution or seek a budget modification to only meet the minimum, but no budget modifications can drop below the minimum presumptive STR funding levels.

4. The reduction of funding to a Tier 1 - UASI ³
5. A project that does not align with priorities in the Statewide Communication Interoperability Plan (SCIP)
6. A project that is non-compliant with PSIC Program Requirements
7. A project that does not advance the goals of the PSIC Program

D. Process for Submitting a Modification Request

1. The SAA may request a modification to the approved Investments to meet unanticipated allowable expenses and to make limited project changes.
2. The SAA must revise the same budget format (Overall Funding Summary) that was submitted with the Investment Justification and must include a budget narrative detailing the proposed revision.
3. Sub-grantees must submit modification requests to SAAs. NTIA and FEMA will not review modification requests that are not initiated by the SAA.
4. SAAs must have prior written approval from NTIA and FEMA before modifications can take effect.
5. NTIA and FEMA will respond to grantees within 45 days of receipt of modification request.

Reminders:

Grantees are reminded that modified projects must still comply with PSIC statutory and programmatic requirements including:

1. Special Award Conditions (e.g., including a National Environmental Policy Act [NEPA])⁴
2. Statutory Requirements (e.g., STR, Matching requirement, Eligible Activities, Allowable Costs)
3. Programmatic Requirements (e.g., Pass Through, Program Goals)
 - a. Review requirements before submitting the modification to ensure compliance with the PSIC Program.
 - b. Requests for budget modifications must be submitted before incurring new or increased costs.

³ *PSIC Program Guidance and Application Kit*, section III. C., paragraph 2 and Table 2 – PSIC Tier 1 UASI Allocation

Modification Narrative Instructions

The following information needs to be contained in any modification request in order to be considered by NTIA and FEMA:

A. All modifications should include

1. State/Territory, Point of Contact (POC), POC Contact Information
2. Type of modification you are requesting (i.e., budget and/or scope change)
3. Explanation for why the budget and/or scope modification is needed (e.g., supplier fulfillment issues, solution not technically feasible, purchase alternative allowable equipment, NEPA compliance issues)

B. Budget change requests should include the following information

1. A brief description of how the Overall Funding Summary has changed (including the amount of funds moved between categories and/or between Investments), how individual Investments have changed, and why the change is needed.
2. A brief explanation of how the proposed budget change will affect the matching requirement.
3. A brief explanation of how the non-federal matching requirement will be met, if the matching requirement has increased (e.g., State cash, local cash, in-kind salaries)
4. A revised Overall Funding Summary spreadsheet

C. Scope change requests should include the following information

1. Investment Number and Investment title affected by modification
2. A brief description and reason for the proposed change in the scope
3. Identify any changes in the jurisdictions and/or disciplines affected by the modification
4. Identify how the new scope aligns to the Statewide Communication Interoperability Plan (SCIP)
5. Identify how the new scope aligns to the goals of the PSIC program (e.g., advanced technology, spectrum efficiency, cost effectiveness, and/or all hazards mitigation)
6. Identify any budget impact (follow above guidelines)

Modification Worksheet

(See the attached Excel spreadsheet)