



# City of Jonesboro

Municipal Center  
300 S. Church Street  
Jonesboro, AR 72401

## Meeting Agenda Finance & Administration Council Committee

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Tuesday, November 13, 2018

4:00 PM

Municipal Center

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### 1. Call To Order

### 2. Roll Call by City Clerk Donna Jackson

### 3. Approval of minutes

#### MIN-18:107

MINUTES FOR THE FINANCE & ADMINISTRATION COMMITTEE MEETING FOR NOVEMBER 1, 2018

Attachments: [Finance Minutes 11012018.pdf](#)

### 4. New Business

#### *RESOLUTIONS TO BE INTRODUCED*

#### RES-18:184

RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AGREEMENT WITH THE NATIONAL RECREATION FOUNDATION TO RECEIVE A GRANT FOR THE PARKS AND RECREATION TARGET GOLF PROGRAM AT CWL PARK

Sponsors: Grants and Parks & Recreation

Attachments: [Jonesboro Target Golf Program Submitted Grant Application 2018](#)

#### RES-18:185

RESOLUTION AUTHORIZING CITY OF JONESBORO GRANTS AND COMMUNITY DEVELOPMENT TO APPLY FOR 2018 FIRE PREVENTION AND SAFETY GRANT PROGRAM FROM THE DEPARTMENT OF HOMELAND SECURITY

Sponsors: Fire Department and Grants

Attachments: [FY18FPSNOFO](#)

### 5. Pending Items

### 6. Other Business

### 7. Public Comments

### 8. Adjournment





# City of Jonesboro

300 S. Church Street  
Jonesboro, AR 72401

## Legislation Details (With Text)

<b>File #:</b>	MIN-18:107	<b>Version:</b>	1	<b>Name:</b>	MINUTES FOR THE FINANCE & ADMINISTRATION COMMITTEE MEETING FOR NOVEMBER 1, 2018
<b>Type:</b>	Minutes	<b>Status:</b>		<b>Status:</b>	To Be Introduced
<b>File created:</b>	11/2/2018	<b>In control:</b>		<b>In control:</b>	Finance & Administration Council Committee
<b>On agenda:</b>		<b>Final action:</b>		<b>Final action:</b>	
<b>Title:</b>	MINUTES FOR THE FINANCE & ADMINISTRATION COMMITTEE MEETING FOR NOVEMBER 1, 2018				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">Finance Minutes 11012018.pdf</a>				

Date	Ver.	Action By	Action	Result
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MINUTES FOR THE FINANCE & ADMINISTRATION COMMITTEE MEETING FOR NOVEMBER 1, 2018



# City of Jonesboro

Municipal Center  
300 S. Church Street  
Jonesboro, AR 72401

## Meeting Minutes Finance & Administration Council Committee

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Thursday, November 1, 2018

4:00 PM

Municipal Center

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### 1. Call To Order

### 2. Roll Call by City Clerk Donna Jackson

*Councilmember Ann Williams joined the Finance & Administration Meeting at 4:08 p.m.*

**Present** 5 - Charles Coleman; John Street; David McClain; LJ Bryant and Joe Hafner

**Absent** 1 - Ann Williams

### 3. Approval of minutes

[MIN-18:100](#)

Minutes for the Finance Committee meeting on October 9, 2018

**Attachments:** [Minutes](#)

**A motion was made by Councilperson Charles Coleman, seconded by Councilperson David McClain, that this matter be Passed . The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and LJ Bryant

**Absent:** 1 - Ann Williams

### 4. New Business

#### ORDINANCES TO BE INTRODUCED

[ORD-18:071](#)

AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE A CONTRACT WITH ARKANSAS BLUE CROSS BLUE SHIELD TO PROVIDE INSURANCE COVERAGE FOR CITY EMPLOYEES FOR 2019

**Attachments:** [BCBS City of Jonesboro](#)  
[BCBS City of Jonesboro Rx Only](#)  
[BCBS Jonesboro Craighead Library](#)  
[BCBS Jonesboro Municipal Airport](#)  
[BCBS JURHA](#)  
[Finance Presentation.pdf](#)

Councilmember David McClain said he had a question for Chief of Staff Bill Reznicek. Can you touch on this? Have we had anything in the past that is different from Blue Cross to make us want to stay? I think they are great, but I didn't know if there was something that made us not want to bid it out. Mr. Reznicek said we have been with Blue Cross about thirty years. When we looked at renewals this year, we met with Blue Cross and they shared with us our loss experience. In the summer months, Human Resources Director Dewayne Douglas and I had met on this numerous times and studied the situation and thought that we might be in a position to look at adopting a self-insured plan. But, when we had our first meeting with Blue Cross, and we found out that our loss ratio was 127%, we pretty much shelved that idea and we knew there was no way. One of the other options on this was to look at an alternative carrier. The issue with that though is typically what happens particularly when you are coming off the year with a loss ratio as high as we have is that a new carrier in the marketplace that we have, I believe that would either United or Cigna would be our options. They are going to possibly come in and try to buy the business, but then you are going to see typically, a dramatic increase the second year because they know what we know that to transition people to a different health plan is pretty cumbersome, pretty time consuming. You have to spend a lot of time educating employees letting them know what their new benefits are, how the network works, etc. The other issue that we have, although under the ACA you can remain grandfathered in and select a new carrier, you have to make sure that the new plan pretty much parallels your existing plan. So, going out to United or Cigna and saying that I need a plan that parallels what Blue Cross currently offers and I want to maintain my grandfathered status under the ACA, in itself is problematic. We looked at that and felt like you know we could go through that exercise, but it would probably be fairly futile and we would be taking the chance of someone coming in and probably meeting, possibly exceeding Blue Cross's number by maybe a point and then the following year saying well, based upon your loss ratio, now you are going to see a significant increase.

Blue Cross, when they came in, the discussion we initially had with them, we give them, kind of an expectation of where we thought we would like to see our premium in the following year. Their initial number to us was a 15% increase so we spent some time and we did tell them that for a bit of positioning, that we were looking at alternatives. In fact, we had them run some of the information that we would need to pursue that. Ultimately, they came back and said well we can give you a 7.6% increase and they are sharing some of the exposure because a 127% loss ratio means that our claims outstripped our actual premium dollars put into the plan as well as administrative costs on their part by 27%. They were underwater on the plan. We are underwater on the plan. So, we felt like 7.6% was a really reasonable increase. So you know, we did explore some other alternatives. We looked at trying to offer along side of our current plan, another plan that would be a high deductible health plan where people would have the opportunity to buy into a plan that had a higher deductible at a lower premium. The problem was with our loss ratio, that plan didn't yield enough savings for the individual and/or the city to fund a HSA (Health Savings Account) or a HRA (Health Reimbursement Arrangement). That is what you typically do in those cases, you fund an alternative way to source that spread between your existing deductible and the new deductible. In other words, we would go from \$600 to \$2,500 on a high deductible plan and give typically younger people, healthier people that option and they can save money, but the premium spread wasn't there with our loss ratio to give you enough money to fund an HSA or an HRA. It is a good idea because it is essentially a backdoor retirement plan as well because your HSA is portable. You can carry it with you. It grows tax free, etc., but it just didn't make sense. We didn't want to put anyone in that exposure level either of coming mid-year, next year and saying, hey, I am going deep into my deductible and I didn't realize this was going to cost me all of this money

*out-of-pocket.*

*The slide that we have shows what we did do so you know we were very sensitive to what this was going to cost the employee, as well as, the city. The overall increase runs about \$325,000 and what we did was split that up, maintaining the 71% and 29% contribution levels that we currently have because to remain grandfathered in ACA, you can only fluctuate those allocations on a small range. We wanted to keep the grandfathered status. We looked at the lowest grade employee and said, what is their annual step increase and if we pass on this increase to them, will they still have an excess of their salary increase over what the health plan is going to cost them. That was kind of our springboard or jumping off point, to make sure that nobody was under water, that we would pass some of this increase onto the employee, but at the end-of-the-day, their annual step increase would outstrip the cost of the health insurance increase. We were very sensitive to that. It was very important that we make sure the employee was in essence, whole, at the end-of-the-day or more than whole. The increase for a single individual annually is \$113. Again, the person in the lowest pay grade in the city, their annual step increase is \$616 so it almost doubles, outstrips the health increase cost. Then, on the family side, the cost increase is \$244 and the annual step increase is \$616 so it basically mirrored the single and they were still ahead by quite a bit. In looking at this, we didn't want to change allocation between the city and the employee because again, when you start doing that, you begin to lose or you close in on that range of losing your grandfathered status. At the end of the day, the city is picking up 2/3rd's of the cost of the increase and the employee's about 1/3rd of it. We felt like this was the best direction to go. We can reevaluate after this year. The interesting thing was this last year, I believe it was about 10 individual claims or 10 individuals in the plan accounted for about 30% of the losses. So, we had a very skewed year. We had 127% loss ratio, but given that it was concentrated in that small of a population of our total pool, it is possible that we could see a decline over the next year or two. If we do, then we can go back and look at the possibility of self-insurance maybe or doing a carve-out plan or something like that. I know that Chairman Joe Hafner is shaking his head on self-insured and I will qualify that. You have to get to a pretty significantly low loss ratio to do that. It would have to be 85% or somewhere in that range which is unlikely that would happen. But, if that happened, you would consider self-insurance. So, that is kind of a summary of why we decided to go this route. It is important, I think, to let you know that we did do some due diligence on this. We didn't just sit back and let Blue Cross come to us with an increase and go ok. I guess that is what it is and we will take it. We studied this pretty hard. We even brought in an outside consultant, if you will, who actually works with us in the Arkansas Municipal League (AML) on some other policies. He didn't charge us anything, but he gave us his read on it and his interpretation, his advice. So, I felt like we had a pretty good look at this this year.*

*Councilmember LJ Bryant asked if we were flat the previous year. Mr. Reznicek said we were flat last year and that also was negotiated last year because our loss ratio was 117% last year. Councilmember Bryant said that this was a long time coming. Mr. Reznicek said that this was a long time coming. Councilmember John Street said we have looked at this over the last sixteen years. We have looked at self-insured. We looked at a lot of different companies too. Like you said, some years you will have a higher loss ratio and other years you will have less, but the years that it has been less, the Mayor has successfully negotiated those prices back down and provided such same level insurance across the board. Mr. Reznicek said that is correct. Blue Cross Blue Shield, overall, we have always come back to them when you look at everything else. Mr. Reznicek said the service has been good. We haven't had issues with claims not being paid or delays in claim payment. I think our employees, for the most part,*

*are pretty happy with their plan and with what they are getting. They do have a really excellent benefit plan. It is a \$600 deductible and that is pretty good in today's world for most companies. Councilmember David McClain said he was just curious. I appreciate you explaining it. One thing, since we have Human Resources here, going forward to help, I don't know if we have thought about offering some type of wellness program to employees. Mr. Reznicek said that is a good point. We did actually do a health fair. I will let HR Director Dewayne Douglas talk about that. One of the impetus to doing that was to start having our employees think about preventative care. I will let Dewayne talk about that because it turned out to be a super event and there was really positive feedback that came out of that.*

*Human Resources Director Dewayne Douglas said we are working on having a health and wellness program that is tied to some type of incentive. If we can make that happen for the January enrollment period or start date, we will try that. Again, the consultant that we are using from the Municipal League is helping us come up with that plan as well. If we can make it and put some teeth into it to reward those employees who are doing the right thing, that is what we will try to do. In the Health Fair that we did, was, I thought very successful. We had a little over 100 employees come through to get some type of vaccine or a flu shot. We had some cardio optics there that was doing some screening. We had an employee that had 100% blockage and they sent him to the doctor immediately. He is now being treated. I think with the last update, he is going to the hospital to have that corrected. That one case alone I think was worth it. The employees that attended I think really liked it. Councilmember McClain said good and thank you. Mr. Reznicek said one other comment that I failed to mention is that in the document that we put into Legistar, it has 7.06% and it was a transposition. It should be 7.60% as the increase so we will need to change that before it goes to council.*

**A motion was made by Councilperson John Street, seconded by Councilperson Charles Coleman, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

#### **RESOLUTIONS TO BE INTRODUCED**

[RES-18:165](#)

A RESOLUTION TO ENTER INTO AN AGREEMENT WITH AMERICAN FIDELITY ASSURANCE COMPANY TO PROVIDE SHORT TERM AND LONG TERM DISABILITY INSURANCE TO CITY OF JONESBORO EMPLOYEES

**Attachments:**     [Exhibit A](#)

**A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-18:173](#)

A RESOLUTION TO ENTER INTO AN AGREEMENT WITH AMERICAN FIDELITY ASSURANCE COMPANY TO PROVIDE A FLEXIBLE COMPENSATION PLAN TO CITY OF JONESBORO EMPLOYEES

**Attachments:**     [Exhibit A](#)

*Chairman Joe Hafner said the only question he had was is a flexible compensation*

*plan the same thing as a flexible spending plan? Human Resources Director Dewayne Douglas said it should be a flexible spending plan. Chairman Hafner asked if the record needs to be changed to a say provide a flexible spending account? Mr. Douglas said it should read flexible spending account. Chairman Hafner said I think, even in exhibit A, it said, employee's plan name, flexible compensation plan for City of Jonesboro, if you look at exhibit A. Mr. Douglas said it needs to be flexible spending account. Councilmember Hafner asked if we could update that for Council to reflect that. I didn't have any other questions or comments.*

**A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-18:174](#)

A RESOLUTION TO CONTRACT WITH ZAXBY'S FOR SPONSORSHIP OF ONE OUTFIELD SIGN AT SOUTHSIDE SOFTBALL COMPLEX

**Attachments:**      [Exhibit A](#)

**A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-18:175](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO LEVY A 2 MILL TAX ON ALL REAL AND PERSONAL PROPERTY FOR THE PUBLIC LIBRARY TAX

*Chairman Joe Hafner said I would like to comment that I think these next three are just regular, yearly resolutions. I mean it is not anything new. Councilmember David McClain asked if Chairman Hafner was just going to read the title. Chairman Hafner said I will go ahead and read them, but I didn't want anyone to think this was something new before we got started.*

*Councilmember Hafner said he did have one more comment. As a rule, any tax, personal property or real estate tax that the city receives are used for these purposes, right? I mean there is not any personal taxes that we receive from the county that are used for operations, right? Chief of Staff Bill Reznicek said right. These are just used for the library and LOPFI for Police and Fire. Chairman Hafner said that is what I thought.*

**A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-18:177](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO LEVY A ONE-HALF (.5) MILL TAX ON ALL REAL AND PERSONAL PROPERTY FOR THE JONESBORO POLICE PENSION PLANS

**A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-18:178](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO LEVY A ONE-HALF (.5) MILL TAX ON ALL REAL AND PERSONAL PROPERTY FOR THE LOCAL FIREMENS PENSION PLANS

*Councilmember John Street said that would be the County Clerk because they are the ones that assess and place the tax on it. Chairman Hafner said ok. Councilmember Dr. Charles Coleman asked if we had any firewomen? Councilmember Street said I believe we have one. Chairman Hafner said one. Councilmember Coleman asked if that should be firepersons instead of firemen? Chairman Hafner said I don't know if that is the official name of it. Councilmember Street said I don't know either. That would be one for the Chief when he is here. Councilmember Coleman said it needs to be asked. I've asked the question and someone needs to check on that. Chairman Hafner said he thinks Human Resource Director Dewayne Douglas is going to check on it. Councilmember Coleman said, as a matter of fact, the same thing with the Police. Is the Chief out there? Do we have the same issues with the Police Department? Chairman Hafner said I think on this one, it said the Police Officer. Councilmember Coleman said, yeah, I see that. Ok. I think that is a lot better. Councilmember Ann Williams said I think elsewhere it is referred to as firefighters as opposed to firemen. Chairman Hafner said that those are great questions and great comments.*

**A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-18:179](#)

A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH VECTOR DISEASE CONTROL INTERNATIONAL, LLC

**Attachments:** [Vector Disease Control Agreement](#)

*Chairman Joe Hafner said his first comment or question would be, is there anything that changed in this agreement compared to previous ones? Chief of Staff Bill Reznicek said the one thing that did change is that when we were talking with them and negotiating the renewal, it indicated that they have a new product called Delta Guard that they have tested in Greenville, Mississippi and found some success at better abatement and control. They are going to incorporate one, possibly two trials of that here next year. They cannot do an aerial spraying with that because of the viscosity of it, but they are going to do it via trucks. That is really the only change and then the escalation in price that we agreed to. It steps up \$6,000 until the last three years and then it plateaus. Other than that, basically, all of the other terms of the contract are identical to what we had before.*

*Councilmember John Street said he was talking to Jim Starks and he told me they are going to base the aircraft in Jonesboro too once they find a pilot they are going to base the plane here so they can be more reactive when we have bad outbreaks instead of waiting because that thing flies in from Greenville. If the weather is not good, then it can't. So, if they put that plane here when we need it, that will make our aerial spraying a little more effective too. Councilmember David McClain asked, if it has been in the past to whenever a contract renews, is the max six years? I didn't know if it was a thing where we could or if they were open or if it was a good practice to maybe look at maybe accepting bids. Are they the only people who do this? Chairman Hafner said I know a few years ago, they brought in another company to do it and it*

*wasn't good. Councilmember Ann Williams said it was a bad mistake. I think it was determined that it is not always a good idea to go with the low bid on something like this. Councilmember McClain said I totally agree.*

*Mr. Reznicek said there is a clause in the contract that says we can terminate for lack of performance and they can terminate for basically insolvency on the part of the city. There is some escape clause in there if we don't think they are performing up to the standard that we feel they should. Chairman Hafner said it wasn't a good situation a few years ago. When was that? Councilmember Street said when we hired that firm from Chicago everybody thought we were saving a lot of money, but that company had no idea how to abate mosquitoes. They didn't treat any of the water outside of the city. Vector provided us with a lot better service. They treated rice fields for a five-mile radius. They also treat our ditches with standing water that you can't always get the water out of. It was bad with the other company. Councilmember Williams said they don't have mosquitoes in Chicago so they don't know. Councilmember Street said it was a tough year this year. People call and complain. I live out to the south and mosquitoes just about carry you off when you are outside. But, just think how it would be if we had that company from Chicago. It was tough. It was just a bad year for mosquitoes. Vector really does a good job.*

**A motion was made by Councilperson John Street, seconded by Councilperson Charles Coleman, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

## **5. Pending Items**

*Chairman Joe Hafner said I am not aware of any pending items. However, I do know that the budget is still being worked on. I guess that will be given out probably in the next two-three weeks. Chief of Staff Bill Reznicek said we are probably in about round three of the budget right now. The way we are doing it this year, we have got some follow-up meetings with some of the departments in the next day or two. I would guess that probably in about a week and half from now, we will have what I would call a draft version of the budget and I will be able to sit down with Finance Chairman Joe Hafner and Mayor Perrin and go through that. Our plan is, as we have done in the past, to have the budget in the hands of the council before Thanksgiving so you can review it. I don't see any reason why we would not be on target to have an approved budget by the end of the year. Although our deadline by law is February 1st, the Mayor likes to have it completed during the current year so we don't have to do any type of continuing appropriation for January. I think we are very well on target to do that. Everybody should have the complete budget book before they go on Thanksgiving break. Again, Joe, probably in about a week and a half, I think we will be ready to sit down and meet with you and go through line by line detail. We will probably have some high level summaries to give you possibly at the end of next week to look at.*

*Chairman Hafner said I don't want to catch you off guard with this question. I know one thing, it seems like when we were at the Arkansas Municipal League Summer Conference, there was talk in different workshops about how a lot of cities adopt budgets by resolution rather than by ordinance. Is that something that is being looked at and what are the advantages of doing it by resolution versus ordinance? Mr. Reznicek said that is a good question and I will be happy to address that. We have talked about that and I actually talked with Marti Steele who gave the presentation by Legislative Audit at the summer conference. After the meeting, I went up and spoke with her about that. I asked and got her opinion and she said the law says you can*

*pass it by resolution or by ordinance. It is up to you. It is your choice. She said from the Legislative Audit standpoint, they really don't have a preference. We have talked with some other cities that have passed it by resolution. AML encourages you to do it by resolution. So, that is the route we are planning on going this year. It does make for a smoother process. Also, if there is any changes during the year, it makes for an easier process in updating and amending the budget. Chairman Hafner said if we did it by resolution and there were changes like in the past where we do amendments, how would the council and the public still be aware of those types of changes? Mr. Reznicek said they would still come onto Finance as a resolution for a budget amendment and then it would go onto council. Chairman Hafner said I want to make sure we still are transparent. Mr. Reznicek said there would still be the transparency. With the ordinance, you have the three readings process.*

*Councilmember David McClain said I guess this goes back to my question. The first thing we had on tonight's agenda was an ordinance so should it have been a resolution since it is an agreement with Blue Cross? Mr. Reznicek said it would still be an ordinance to waive competitive bidding. If we were coming to the council or to the committee and saying that we need an additional funding for something or another benefit that we were going to adopt, some other thing that we were going to spend that was outside of the approved appropriation, then we would be coming to the committee with a resolution for that in 2019. Chairman Hafner said it would be a little less time consuming. Councilmember McClain said ok.*

## **6. Other Business**

## **7. Public Comments**

*Harold Carter, 902 Tony, said this was a little hard for me, the difference between a resolution and an ordinance. I am not sure that I was even aware that you could do that. The question is what is the substantial difference and what are the advantages and disadvantages without going into infinite detail? What difference is it going to make? Chairman Joe Hafner said I may not be the best one to answer that. But, really, a resolution is adopted immediately where an ordinance has to have three readings and then 30 days to go into effect. So, I guess it is just less paperwork or less readings that would have to be done by the council. That is a great question. That is kind of why I wanted Mr. Reznicek to touch it so questions could come up. Mr. Carter said I am not really against it since I know the options. I find this budget process for the individual citizen to be almost impenetrable. It is not going to make any difference to me. I just wondered if there was a substantial difference that would really make me think about it a little more. Chairman Hafner said not really that I am aware of. As you know, I don't know if the general public knows this, the budget is on the website. So, if there is any time where anybody ever has a question about the budget, they can reach out to Chief of Staff Bill Reznicek, Director of Finance Trever Harvey, or the finance staff. They can ask a question during the right time during the meetings. Mr. Carter said I don't have any real problems of bringing up any questions if I got one. As everyone seems to be aware, these budgets are sort of on a fast track. You can slow it down. It is better to have some real good reasons to do so than to just start asking a bunch of questions. There are a lot of questions that could be asked about the budget and just go line by line by individuals or anyone else. I can look at the budget and I am not against it. I just really want to know if this was a major departure going from a resolution as opposed to an ordinance. It seems like it would be. But, I don't perceive it as being much different. Chairman Hafner said I am sure before that happens, there will be more discussions about it. Like I said, the last thing*

*we want to do as a council is say we are trying to fast track it where there can't be questions asked or be less transparent. That is not the goal of council. The goal would be to make it less burdensome on whomever is having to keep up with the paperwork. Mr. Carter said the last input or observation I had on this was the police raise situation which was some of the most impenetrable stuff. I didn't like it at all. It's not that I minded that the police get a raise. It was because the changes and that was part of the budget of some sort. Expecting the public to take part in that in any informed way is just expecting what you are not going to get unless we get up here and start yelling and hollering. I don't consider that very productive. But, anyway, thanks. Chairman Hafner said thanks for your comments.*

## **8. Adjournment**

**A motion was made by Councilperson LJ Bryant, seconded by Councilperson John Street, that this meeting be Adjourned. The motion PASSED with the following vote.**

**Aye:** 5 - Charles Coleman; Ann Williams; John Street; David McClain and LJ Bryant



## Legislation Details (With Text)

<b>File #:</b>	RES-18:184	<b>Version:</b>	1	<b>Name:</b>	ENTER INTO AGREEMENT WITH THE NATIONAL RECREATION FOUNDATION TO RECEIVE A GRANT FOR THE PARKS AND RECREATION TARGET GOLF PROGRAM AT CWL PARK
<b>Type:</b>	Resolution	<b>Status:</b>			To Be Introduced
<b>File created:</b>	11/7/2018	<b>In control:</b>			Finance & Administration Council Committee
<b>On agenda:</b>		<b>Final action:</b>			
<b>Title:</b>	RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AGREEMENT WITH THE NATIONAL RECREATION FOUNDATION TO RECEIVE A GRANT FOR THE PARKS AND RECREATION TARGET GOLF PROGRAM AT CWL PARK				
<b>Sponsors:</b>	Grants, Parks & Recreation				
<b>Indexes:</b>	Grant				
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">Jonesboro Target Golf Program Submitted Grant Application 2018</a>				

Date	Ver.	Action By	Action	Result
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RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AGREEMENT WITH THE NATIONAL RECREATION FOUNDATION TO RECEIVE A GRANT FOR THE PARKS AND RECREATION TARGET GOLF PROGRAM AT CWL PARK

WHEREAS, the City of Jonesboro has been awarded a National Recreation Foundation Grant in the amount of \$30,000; and

WHEREAS, funds will be utilized to purchase equipment and increase participation and awareness of Target Golf; and

WHEREAS, the grant is 100% funded with private funds and there is no cost to the City of Jonesboro; and

WHEREAS, the grant will be budgeted in FY2019.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO THAT:

SECTION 1: The City of Jonesboro will enter into agreement with the National Recreation Foundation.

SECTION 2: The Mayor and the City Clerk are hereby authorized by the City of Jonesboro City Council to execute all documents necessary to effectuate this agreement.

SECTION 3: The Grants and Community Development Department is hereby authorized by the City of Jonesboro City Council to execute all documents necessary to accept this agreement.

# Jonesboro Target Golf Program

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## *Trustee Grants 2018-2019*

### ***City of Jonesboro***

---

Mayor Harold Perrin  
300 South Church Street  
Jonesboro, AR 72403

[tcalloway@jonesboro.org](mailto:tcalloway@jonesboro.org)  
O: 870-336-7229  
F: 870-933-4626

### ***Mrs Tiffny Calloway***

---

300 South Church Street  
Jonesboro, AR 72403

[tcalloway@jonesboro.org](mailto:tcalloway@jonesboro.org)  
O: 870-336-7229  
M: 870-520-8398  
F: 870-933-4626

# Application Form

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## Program Summary

---

### Project Name\*

Jonesboro Target Golf Program

### Purpose of Grant\*

Special Program / Project

### Executive Summary of Request\*

In a paragraph or two, please provide a concise summary of the proposal, including a brief statement of the need being addressed by the program and how your program addresses this need. Please note that this is only a summary. Complete program details should be inserted in the section below entitled "Details of the Proposed Grant."

Target Golf is an innovative program developed by the Jonesboro Parks and Recreation Department to get more youth into the life-long game of golf. Instead of having youth and their parents purchase equipment and paying greens fees, the Parks Department has come up with a way to introduce the game with little to no cost, for all those who wish to try it out. Jonesboro Park and Recreation depends on local volunteers and businesses to donate time and equipment to make sure all kids have the chance to play this great game. The City Water and Light Park is located in a low-income area that does not have direct access to recreational activity. The program will provide golfing equipment, team attire and a facility for play for these children. Jonesboro is also home to the Miracle League Park, a regional complex with the world's largest rubberized baseball field for children and adults with physical disabilities. With the addition of Target Golf to the CWL playground, Miracle league participants will now be able to participant in three sporting activities.

### Funding Period\*

*Please note: The funding period must fall within January 1 - December 31, 2019.*

START DATE

01/01/2019

### Funding Period\*

END DATE

12/31/2019

### Amount Requested\*

\$30,000.00

### Sponsor\*

Which National Recreation Foundation trustee is sponsoring this application?

Robert A. Stuart, Jr.

### Conflict of Interest\*

Does the sponsoring trustee, the trustee's spouse/partner or other relative serve as a director, officer or employee of your organization or an entity affiliated with your organization?

No

If "yes," please explain the nature of the relationship.

### Verification\*

Applicant is a registered 501(c)(3) or 509(a) nonprofit organization under the Internal Revenue Code?

Yes

### Type of Support\*

If funded, this grant will support:

An existing program

### Type of Support - Other

If you selected "Other," please describe.

### Target Audience\*

Click all age ranges that apply. *Please note: National Recreation Foundation support is restricted to programs that serve at-risk youth between the ages of 6 and 24.*

6-11  
11-14  
14-18

### Number of Youth Served - Existing Program\*

How many youth are currently served through this program? (If this request is for a new program, mark "0" here.)

117

### Increasing Number of Youth Served - Existing Program\*

If this is an existing program, will NRF funding increase the number of youth served through this program?

Yes

### Additional Youth Served - Existing Program\*

How many additional youth will be served by the expansion of this program? (If the number of youth served does not increase through this program, mark "0" here.)

300

**Number of Youth Served - New Program\***

If this application is for a new program, how many youth do you anticipate will be served by this new program? (If this request is for an existing program, mark "0" here.)

0

**Number of Sites - Existing\***

How many sites currently are served by this program? (If this request is for a new program, mark "0" here.)

1

**Number of Sites - If Funded\***

Number of sites at which the program will run, if funded.

2

**Location of Recreation Activities\***

Please note the primary location where recreation activities are to be conducted.

Outdoors

**Timeframe\***

Please mark the primary timeframe for when recreation activities will take place.

During out-of-school time

**TYPES OF RECREATION**

- **Arts & Culture** (e.g. dance, film, music, visual arts, theater, poetry)
- **Education** (e.g. STEM classes, college prep)
- **Physical Activity** (e.g. sports, athletics, health, wellness, fitness)
- **Outdoor Education** (e.g. environmental education, outdoor recreation, adventure education, gardening/farming, summer camp, playgrounds, unstructured play, wilderness-based activities such as hiking and camping)
- **Other** (e.g. community service, prevention programs)

**Type of Recreation\***

Please select the type of recreation that best describes your program or project.

Physical Activity

**Describe "Other"**

If you selected "Other" for Type of Recreation, please describe below.

**AUTHORIZED SIGNATURE**

By typing your Name, Title and Date in the spaces below, you confirm that you are authorized to apply for grants on behalf of the applicant organization. The electronic signature below and its related fields are treated by National Recreation Foundation like a handwritten signature on a paper form.

**Name\***

Hillary Starnes

**Title\***

Grant Service Manager

**Date\***

07/13/2018

## **Organization Information**

---

**Mission Statement\***

The City of Jonesboro's mission is to offer first class opportunities and foster relationships to promote quality community development to the citizens of Jonesboro, Arkansas. The vision 2030 PLAN is "Healthy People in a Healthy Community." The plan is a 30 page document that accounts for long range and sustainable planning in several areas, including, but not limited to built environment, public transit, economic development, public safety, technology and smart planning-all contributing factors to the health and wellness of the citizens.

**Brief Summary of Organization's History\***

Jonesboro, seat of Craighead County, is the largest city in Northeast Arkansas. It is known as the "City of Churches." Jonesboro was named after William A. Jones in recognition of his support in the legislature for the formation of Craighead County in 1859. In 1909, the Arkansas legislature established a regional agricultural training school in Jonesboro. That institution flourished and expanded over the years, and later became Arkansas State University in 1967. The St. Louis Southwestern Railway, known as the Cotton Belt Railroad was constructed through Jonesboro, with its tracks passing just north of the center of the City. It connected St. Louis to points in Arkansas and Texas and the rail systems is still functioning in the heart of the City. During the 20th century, Jonesboro began to diversify its economy, with industrial businesses that allowed it to grow beyond the cotton culture. The University attracts educated residents and a diverse population.

**Description of current programs, activities and accomplishments\***

Jonesboro this year officially opened a 3.2-mile walking trail with 12 workout stations around the lake at our 690-acre Craighead Forest Park, which has seen participation almost triple to 750,000 vehicle visitors per year. Our Miracle League field, the nation's largest ballfield serving special needs children and adults, now serves 12 teams after just two years of operation. That's upward of 150 people with special needs playing organized softball and soccer! It also contains a playground that has 28 handicap-accessible features, one of the largest in the country. It is regularly visited by representatives and guests of other cities and states as an example of what they hope to build for their communities.

Our largest youth sports facilities at Joe Mack Campbell Park have been expanded to 14 baseball fields and 19 soccer fields, with renovated concession and restroom facilities and new shade-top pavilions.

The city took over Southside softball complex in 2012. Since then, more than \$800,000 has been spent in capital improvement. First came new concession, restroom and office facilities. Then all fencing was replaced along with New LED scoreboards. Entrances were remodeled with brick pillars and wrought-iron fences and gates.

Notably, this has contributed to the vibrancy of City Stars, one of the last free city-sponsored youth league programs for soccer and basketball in the nation. It is operated by the City Parks Department, which serves upward of 10,000 youth.

### Other Funding Sources\*

Please list the top ten (10) funders to your organization over the past 12 months (foundation, corporate, government or organization) including dollar amounts:

The City of Jonesboro is funded by local sales tax revenue.

## Purpose of Grant

### Statement of Need\*

Please include a brief statement of the issue your program or organization hopes to address. Be sure to include: societal issue of concern and need in community, how your program will address the identified need, population served (include number served), and how that target population will benefit.

This project will continue to address a need to a targeted population which is Jonesboro's low-income and special needs children. Typically, both groups have limited access to golfing. In 2017, The Target Golf program had 117 participants. More youth in Jonesboro have a desire to participate but the current location has been prohibitive. Providing a second location in downtown Jonesboro would make the sport accessible to children in the most distressed neighborhoods of Jonesboro. Jonesboro school district students will directly benefit from the Target Golf program. 90% of Jonesboro's 6,210 students are eligible for free or reduced lunch. A no-cost program would prove most beneficial to these students.

### Purpose of Grant\*

Please provide a description of the proposed project or program, including:

- a. Description of the goals of the project or program.
- b. Description of the activities you will perform to accomplish these goals; specify if this is a new or an ongoing project/program for your organization.
- c. Description of the intended long-term (5 years) impact of the project or program.

This program gives them access to a nice facility that is not on the golf course. With this access, the participating youth have made significant progress into learning the great yet frustrating game of golf. Jonesboro Parks and Recreation believes athletic programs have a positive effect on society when a city or community can provide athletic programs to the most vulnerable citizens, its children then it can have a positive influence. In today's social society there are many things that can influence a child such as drugs, violence, gangs, and sex. If athletics can capture their hearts then it can fill their minds with dreams and hopes and provide everyday life skills, such as leadership, teambuilding, and problem solving. With the help of those that Volunteer through coaching these sports programs, children have an opportunity to rise above the negative influences of life.

### Process\*

Please provide information on the timetable and mechanics of the program, including:

- a. Timetable for implementation (if for specific program or capital expenditure).
- b. Other organizations or partners, if any, participating in the activity.
- c. Long term sources or strategies for funding at the end of the grant period.

A. The Target Golf program has already been implemented for one season. The next session will begin in the Fall of 2019 at the original location at Craighead Forrest Park. A second location at City Water and Light Park will be operable Spring of 2019. The eight week sessions gives them enough time to practice basic skills.

B. At this time, we have not partnered with any other organizations. As the program grows, we will begin looking into those relationships to continue the success of this program.

C. The parks are maintained by the City Parks and Recreation department. Program funding will continue to be budgeted through the Parks and Recreation funds.

## Key Staff\*

Please list names and qualifications of key staff.

Jarrold Stroud - City Youth Sport Coordinator

Additional instructors certified through United State Golf Association would be hired through the grant opportunity

## Budget

### Program Budget\*

Please upload the program budget setting forth specific line items that show how the proposed National Recreation Foundation grant funds would be spent. Be sure to include matching funds and/or in-kind contributions.

Target Golf Budget.pdf

### Other Program Support\*

Have you secured support from other sources for this program?

Yes

### If yes, please list the other sources of support (with amounts and years) for this program:

If "no," skip to the next question.

The Parks and Recreation has budgeted \$8,000 to help offset league expenses and support staff salaries.

### Volunteers and In-Kind Contributions

Please describe any volunteer involvement and/or in-kind contributions relating to this project:

Each team would be provided a volunteer team leader to help during practices and games.

## Evaluation

The following are definitions and examples of goals, outputs and outcomes:

### DEFINITIONS

**Goal:** High-level statement of the desired long-term impact of a project/program or a component of a project/program.

**Outputs:** Immediate-term results associated with a program or project (e.g., number of children who participated in a program, number of people trained).

**Outcomes:** Short-term and medium-term benefits or changes for participants after participating in a program (e.g., percent of kids who increased their life skills after participating in a program, percent of kids who lost weight after participating in a program).

### DIRECTIONS

Please share information on one to three main goals for the project, including projected outputs and desired outcomes. This should provide information on expected results during the funding period. Please be as specific as possible. You will report back on these goals, outputs and outcomes in your final report.

### EXAMPLE A

Goal: Provide at-risk youth in Oakland with opportunity to participate in a camp program

Projected output: 50 youth participate in 1 week camp program, 25 follow up reinforcement activities are performed with youth, 5 new instructors are trained in socio-emotional learning

Projected outcome: 80% of youth report having learned a new skill at camp, 80% of youth report feeling good about themselves as a result of the experience

If relevant, please make sure that one of the goals you select (with its corresponding outputs/outcomes) reflects youth successfully experiencing challenge, which is a major goal of NRF's work (see Example B below). And, please note, if the primary Type of Recreation for this project is PHYSICAL ACTIVITY, please make sure that one goal/output/outcome set captures an increase in youth physical activity (see Example C below).

### EXAMPLE B

Goal: Youth from disadvantaged urban settings experience increased self-esteem

Projected Output: 50 youth will complete a high ropes course

Projected Outcome: 80% of youth report feeling they accomplished something significant

### EXAMPLE C

Goal: Youth become more active through rock climbing

Projected Output: 60 youth will participate in the rock climbing clinic offered 3 times/year

Projected Outcome: 50% of rock climbing clinic participants report engaging in other activities where they can apply the skills they learned (at a local park or climbing wall)

## GOAL ONE\*

Summary:

To introduce the sport of golf to youth in low income areas of Jonesboro that wouldn't normally have access to the equipment and facilities.

**GOAL ONE\*****Projected *Outputs*:**

Parks and Recreation department to provide another opportunity for inner city kids to participate in city recreational programs. The teams are made up of 5 players and 23 teams were formed last fall.

**GOAL ONE\*****Projected *Outcomes*:**

To have an 80% return of children that participated last year, plus a huge increase in new participants in the upcoming fall program. 300 additional players are expected to start this fall. A total of 80 teams will be formed within two parks.

**GOAL TWO****Summary:**

To provide a low impact sporting activity for children with disabilities.

**GOAL TWO****Projected *Outputs*:**

The City of Jonesboro has on of the largest Miracle League ball fields serving special needs children and adults. The Parks department strives to find other avenues to give special needs and disabled citizens activities to stay engaged.

**GOAL TWO****Projected *Outcomes*:**

To provide the 150 participants of the Miracle League another lifelong activity to enjoy.

**GOAL THREE****Summary:**

To create an equal opportunity for all types of groups and evolve the sport of golf.

**GOAL THREE****Projected *Outputs*:**

70% Caucasian, 20% African americans 10% others.

**GOAL THREE****Projected *Outcomes*:**

We have seen the citywide increase in youth golf since the creation of Target golf. Already 40% of the golfers in our program have already joined their parents on the golf course this fall.

## **Attachments**

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### **Tax Exempt Status\***

Please upload a copy of the original IRS determination letter indicating tax exempt status.

irs letter.pdf

### **Board of Directors\***

Add or upload a list of your organization's Board of Directors, including occupations and/or community relations.

City-Council-Contact-Information.pdf

### **Anti-Discrimination Policy\***

Has your Board of Directors adopted an Anti-Discrimination Policy?

Yes

### **Financial Statements\***

Please upload the organization's most recent fiscal year-end financial statements (audited if available).

City of Jonesboro most recent independent audit.pdf

### **Organization's Budget\***

Please upload the organization's current budget. NOTE: This is different than the program budget requested above.

2018 Parks Budget.pdf

### **Optional Attachment**

Please feel free to use this upload option to add an additional document (annual report, flyer, brochure, image, etc.) important to your application.

## File Attachment Summary

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### ***Applicant File Uploads***

- Target Golf Budget.pdf
- irs letter.pdf
- City-Council-Contact-Information.pdf
- City of Jonesboro most recent independent audit.pdf
- 2018 Parks Budget.pdf

**Target Golf Budget**

Golf Clubs and Balls	\$ 6,000.00
Uniforms	\$ 4,500.00
Facility Equipment	\$ 3,000.00
Instructors for 16 week program	\$ 15,000.00
Participation awards	\$ 1,500.00
<b>Total</b>	<b>\$ 30,000.00</b>

ATLANTA GA 39901-0001

In reply refer to: 0750453698  
Feb. 08, 2012 LTR 4076C 0  
71-6013749 000000 00

00026348  
BODC: TE

CITY OF JONESBORO  
515 W WASHINGTON AVE  
JONESBORO AR 72401-2782



028025

Federal Identification Number: 71-6013749  
Person to Contact: Mrs. Minton  
Toll Free Telephone Number: 1-877-829-5500

Dear City of Jonesboro:

This responds to your request for information about your federal tax status. Our records do not specify your federal tax status. However, the following general information about the tax treatment of state and local governments and affiliated organizations may be of interest to you.

#### GOVERNMENTAL UNITS

Governmental units, such as States and their political subdivisions, are not generally subject to federal income tax. Political subdivisions of a State are entities with one or more of the sovereign powers of the State such as the power to tax. Typically they include counties or municipalities and their agencies or departments. Charitable contributions to governmental units are tax-deductible under section 170(c)(1) of the Internal Revenue Code if made for a public purpose.

#### ENTITIES MEETING THE REQUIREMENTS OF SECTION 115(1)

An entity that is not a governmental unit but that performs an essential government function may not be subject to federal income tax, pursuant to Code section 115(1). The income of such entities is excluded from the definition of gross income as long as the income (1) is derived from a public utility or the exercise of an essential government function, and (2) accrues to a State, a political subdivision of a State, or the District of Columbia. Contributions made to entities whose income is excluded income under section 115 may not be tax deductible to contributors.

#### TAX-EXEMPT CHARITABLE ORGANIZATIONS

An organization affiliated with a State, county, or municipal government may qualify for exemption from federal income tax under section 501(c)(3) of the Code, if (1) it is not an integral part of the government, and (2) it does not have governmental powers inconsistent with exemption (such as the power to tax or to exercise enforcement or regulatory powers). Note that entities may meet the requirements of both sections 501(c)(3) and 115 under certain circumstances. See Revenue Procedure 2003-12, 2003-1 C.B. 316.

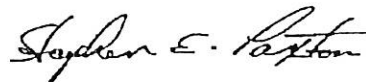
CITY OF JONESBORO  
515 W WASHINGTON AVE  
JONESBORO AR 72401-2782

Most entities must file a Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, to request a determination that the organization is exempt from federal income tax under 501(c)(3) of the Code and that charitable contributions are tax deductible to contributors under section 170(c)(2). In addition, private foundations and other persons sometimes want assurance that their grants or contributions are made to a governmental unit or a public charity. Generally, grantors and contributors may rely on the status of governmental units based on State or local law. Form 1023 and Publication 4220, Applying for 501(c)(3) Tax-Exempt Status, are available online at [www.irs.gov/eo](http://www.irs.gov/eo).

We hope this general information will be of assistance to you. This letter, however, does not determine that you have any particular tax status. If you are unsure of your status as a governmental unit or state institution whose income is excluded under section 115(1) you may seek a private letter ruling by following the procedures specified in Revenue Procedure 2007-1, 2007-1 I.R.B. 1 (updated annually).

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Stephen E. Paxton  
Operations Manager, AM Operations 3

## City Council contact information

*updated May 21, 2018*

<b><u>Ward Position</u></b>	<b><u>Name</u></b>	<b><u>Phone number</u></b>	<b><u>Mailing address</u></b>	<b><u>E-mail address</u></b>
Ward 1 Position 1	Charles Frierson	932-6643 (w) 932-8153 (h)	1507 Frierson St. Jonesboro, AR 72401	cdfrierson3@hotmail.com
Ward 1 Position 2	Gene Vance	934-8900 (w) 935-9485 (h)	2911 Covey Road Jonesboro, AR 72401	gvance@jonesboro.org
Ward 2 Position 1	Dr. Charles Coleman	931-3178	300 N. Fisher Street Jonesboro, AR 72401	crcjab@sbcglobal.net
Ward 2 Position 2	Chris Moore	972-1365	1237 S. Madison Jonesboro, AR 72401	chrismooreplumbing@yahoo.com
Ward 3 Position 1	Ann Williams	932-3114 (w) 931-9889 (h)	1900 Aggie Road Jonesboro, AR 72401	edgecoffeehouse@hotmail.com
Ward 3 Position 2	Chris Gibson	243-1914	4516 Club House Drive Jonesboro, AR 72401	clgrehabman@yahoo.com
Ward 4 Position 1	John Street	972-5788 (w) 935-0108 (h)	4503 S. Culberhouse Jonesboro, AR 72404	jwstreet@sbcglobal.net
Ward 4 Position 2	Mitch Johnson	273-6795	3716 Partridge Circle Jonesboro, AR 72404	johnsons3@suddenlink.net
Ward 5 Position 1	L.J. Bryant	819-7218	1010 Wildberry Cove Jonesboro, AR 72404	lj@ljbryant.com
Ward 5 Position 2	Joe Hafner	680-0803 932-5171 (h)	920 Lombardy Jonesboro, AR 72401	joeforjonesboro@gmail.com
Ward 6 Position 1	Bobby Long	275-8134	4121 Oakhill Lane Jonesboro, AR 72401	blongjcc@gmail.com
Ward 6 Position 2	David McClain	351-6623	700 Laura Lea Jonesboro, AR 72401	david.mcclain@jonesboro.org

# **City of Jonesboro, Arkansas**

## **Regulatory Basis Financial Statements and Other Reports**

**December 31, 2016**

LEGISLATIVE JOINT AUDITING COMMITTEE

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# Arkansas

**Sen. Jimmy Hickey, Jr.**  
Senate Chair  
**Sen. Lance Eads**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Mary Bentley**  
House Vice Chair

**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

## **LEGISLATIVE JOINT AUDITING COMMITTEE** **ARKANSAS LEGISLATIVE AUDIT**

### **INDEPENDENT AUDITOR'S REPORT**

City of Jonesboro, Arkansas Officials and Council Members  
Legislative Joint Auditing Committee

#### **Report on the Financial Statements**

We have audited the accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Jonesboro, Arkansas, as of and for the year ended December 31, 2016, and the related notes to the financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Jonesboro, Arkansas, as of December 31, 2016, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Jonesboro, Arkansas, as of December 31, 2016, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and street fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

### ***Emphasis of Matter***

As discussed in Note 4 to the financial statements, in 2016 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
November 21, 2017  
LOM104916

# Arkansas

**Sen. Jimmy Hickey, Jr.**  
Senate Chair  
**Sen. Lance Eads**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Mary Bentley**  
House Vice Chair

**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, COMPLIANCE AND OTHER MATTERS,  
AND OTHER ISSUES BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS*

### INDEPENDENT AUDITOR'S REPORT

City of Jonesboro, Arkansas Officials and Council Members  
Legislative Joint Auditing Committee

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Jonesboro, Arkansas, as of and for the year ended December 31, 2016, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2017. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Other Issues

The following issue is not a significant deficiency, material weakness, or material instance of noncompliance, but is an issue that is presented to assist in the efficient operation of the City.

The commentary contained in this section relates to the following officials that held office during 2016:

Mayor: Harold Perrin  
Treasurer/Chief Financial Officer: Suzanne Allen  
Police Chief: Rick Elliot  
Advertising and Promotion Commissioner: Thom Beasley

We reviewed the City's compliance with certain Arkansas laws concerning general and district court accounting, budgeting, purchasing, and investing and depositing of public funds.

Our audit procedures indicated that the offices of **Mayor**, **Treasurer/Chief Financial Officer**, and **Police Chief** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law was noted in the office of **Advertising and Promotion Commissioner**.

### **Advertising and Promotion Commissioner**

The Advertising and Promotion Commission paid the Red Wolf Foundation \$100,000 without a contract, which is suspect under the "public purpose" doctrine and Ark. Const. art. 12, § 5, which states, in part, "No City shall obtain or appropriate money for any corporation, association, institution or individual," and under Ark. Code Ann. § 26-75-606, which prohibits taxes to be used for "...general subsidy of any civic group...."

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
November 21, 2017

CITY OF JONESBORO, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2016

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 26,733,031	\$ 6,600,130	\$ 12,424,194
Investments			10,370,056
Accounts receivable	3,280,838	124,712	591,064
Interfund receivables	209,878	244	9,230
TOTAL ASSETS	<u>\$ 30,223,747</u>	<u>\$ 6,725,086</u>	<u>\$ 23,394,544</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,034,246	\$ 230,099	\$ 795,386
Interfund payables	7,808		211,544
Settlements pending			48,570
Total Liabilities	<u>1,042,054</u>	<u>230,099</u>	<u>1,055,500</u>
Fund Balances:			
Restricted	249,665	6,022,931	19,898,493
Committed	133,449		1,308,240
Assigned		472,056	1,132,311
Unassigned	28,798,579		
Total Fund Balances	<u>29,181,693</u>	<u>6,494,987</u>	<u>22,339,044</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,223,747</u>	<u>\$ 6,725,086</u>	<u>\$ 23,394,544</u>

The accompanying notes are an integral part of these financial statements.

CITY OF JONESBORO, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,198,125	\$ 4,243,176	\$ 683,181
Federal aid			2,593,411
Property taxes	3,476,765	1,455,808	
Franchise fees	1,626,790		
Sales taxes	28,326,744		2,713,075
Fines, forfeitures, and costs	1,850,438		78,336
Interest and dividends	255,321	34,506	92,678
Local permits and fees	2,406,026	114,082	30,600
Sanitation fees	45,717		
Advertising and promotion taxes			688,623
Employer/Employee contributions			237,052
Park fees, rentals, and sales	607,807		9,196
911 fees			948,871
County aid			313,707
Hangar leases and rentals			313,905
Fuel commissions			76,144
Bus fares			78,787
Donations			59,986
Net increase in fair market value of investments			477,378
Other	1,215,250	51,751	40,135
TOTAL REVENUES	41,008,983	5,899,323	9,435,065
EXPENDITURES			
Current:			
General government	4,925,700		1,348,532
Law enforcement	15,134,343		375,043
Highways and streets	4,833	5,216,303	4,042,031
Public safety	10,226,693		1,462,012
Sanitation	3,884,690		108,037
Health	430,000		
Recreation and culture	5,006,282		2,122,698
Social services	248,474		83,359
Advertising and promotion			664,192
Economic development			164,830
Community development			245,574
Public transit			1,280,639
Airport	28,628		667,002
Total Current	39,889,643	5,216,303	12,563,949
Debt Service:			
Loan principal			500,000
Loan interest			10,998
TOTAL EXPENDITURES	39,889,643	5,216,303	13,074,947

CITY OF JONESBORO, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,119,340	\$ 683,020	\$ (3,639,882)
OTHER FINANCING SOURCES (USES)			
Transfers in	297,433		8,990,311
Transfers out	(8,987,811)		(299,933)
Contributions from City Water and Light	521,038		178,962
Loan proceeds			400,000
TOTAL OTHER FINANCING SOURCES (USES)	(8,169,340)		9,269,340
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(7,050,000)	683,020	5,629,458
FUND BALANCES - JANUARY 1	36,231,693	5,811,967	16,709,586
FUND BALANCES - DECEMBER 31	\$ 29,181,693	\$ 6,494,987	\$ 22,339,044

The accompanying notes are an integral part of these financial statements.

CITY OF JONESBORO, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,125,000	\$ 1,198,125	\$ 73,125	\$ 4,123,907	\$ 4,243,176	\$ 119,269
Property taxes	3,238,100	3,476,765	238,665	1,400,000	1,455,808	55,808
Franchise fees	1,640,000	1,626,790	(13,210)			
Sales taxes	25,996,208	28,326,744	2,330,536			
Fines, forfeitures, and costs	1,717,265	1,850,438	133,173			
Interest and dividends	165,000	255,321	90,321	23,000	34,506	11,506
Local permits and fees	1,957,300	2,406,026	448,726	33,200	114,082	80,882
Sanitation fees	42,400	45,717	3,317			
Park fees, rentals, and sales	466,500	607,807	141,307			
Other	765,623	1,215,250	449,627	23,500	51,751	28,251
TOTAL REVENUES	37,113,396	41,008,983	3,895,587	5,603,607	5,899,323	295,716
EXPENDITURES						
Current:						
General government	5,329,408	4,925,700	403,708			
Law enforcement	15,438,906	15,134,343	304,563			
Highways and streets	5,000	4,833	167	5,634,047	5,216,303	417,744
Public safety	10,226,411	10,226,693	(282)			
Sanitation	3,956,746	3,884,690	72,056			
Health	430,000	430,000				
Recreation and culture	4,953,242	5,006,282	(53,040)			
Social services	248,838	248,474	364			
Airport	10,000	28,628	(18,628)			
TOTAL EXPENDITURES	40,598,551	39,889,643	708,908	5,634,047	5,216,303	417,744
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,485,155)	1,119,340	4,604,495	(30,440)	683,020	713,460
OTHER FINANCING SOURCES (USES)						
Transfers in	95,000	297,433	202,433			
Transfers out	(9,008,299)	(8,987,811)	20,488			
Contributions from City Water and Light	521,000	521,038	38			
TOTAL OTHER FINANCING SOURCES (USES)	(8,392,299)	(8,169,340)	222,959			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(11,877,454)	(7,050,000)	4,827,454	(30,440)	683,020	713,460
FUND BALANCES - JANUARY 1	32,837,115	36,231,693	3,394,578	5,426,879	5,811,967	385,088
FUND BALANCES - DECEMBER 31	\$ 20,959,661	\$ 29,181,693	\$ 8,222,032	\$ 5,396,439	\$ 6,494,987	\$ 1,098,548

The accompanying notes are an integral part of these financial statements.

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1: Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The City of Jonesboro was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City.

**B. Basis of Presentation – Regulatory**

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Ark. Code Ann. § 10-4-412. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and street fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general and street funds; notes to financial statements; and a supplemental schedule of capital assets.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities and residual balances, and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds are recognized in the accompanying regulatory basis financial statements.

**General Fund** - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

**Street Fund** - The Street Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Street Fund accounts for and reports the proceeds of state highway turnback and property taxes that are restricted for maintaining and constructing highways and streets.

**Other Funds in the Aggregate** - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Street Funds. The following types of funds are included in this column as follows:

**Special Revenue Funds** - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

**Capital Projects Funds** - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. See Schedules 1 and 2 for the Capital Projects Fund reported with other funds in the aggregate.

**Pension Trust Funds** – Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of pension plans. See Schedules 1 and 2 for Pension Trust Funds as reported with other funds in the aggregate.

**Agency Funds** - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for Agency Funds as reported with other funds in the aggregate.

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Basis of Accounting - Regulatory**

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements.

**D. Assets, Liabilities, and Fund Balances**

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and certificates of deposit.

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered cafeteria plan payments and unremitted payroll account balances that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).
3. Assigned fund balance - amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed.
4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

**E. Property Taxes**

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year, but are not considered delinquent until after October 15. Property taxes reflected as revenues on the financial statements include the property tax relief distribution made by the State of Arkansas. The purpose of this distribution is to reimburse the municipality for property tax credits in accordance with Arkansas Code.

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**F. Budget Law**

State law requires that these procedures be followed in establishing the budgetary data:

- a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is discussed at a City Council meeting prior to adoption.
- c. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.
- d. Appropriations lapse at the end of each year.
- e. Under certain conditions, the budget may be amended subsequent to the year-end.

The budgeted revenues and expenditures represent the formal operating budget adopted by the City Council, as amended by the Council during the year.

Basis of Accounting

The City prepared an annual budget on the regulatory basis for the General Fund, Street Fund, and the other operating funds.

**G. Fund Balance Classification Policies and Procedures**

The Municipality's highest level of decision-making authority is its City Council. The establishment of amounts classified as committed fund balances and any subsequent modifications to such balances are the result of formal action taken by the City Council through passage of an ordinance. The City Council is authorized to assign amounts to a specific purpose, although a formal policy has not been established.

The Municipality does have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The Municipality does have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

The Municipality has a minimum fund balance policy for the general fund. The City will maintain a minimum unassigned fund balance in its general fund of at least 15% of budget year appropriated expenditures. This minimum fund balance is to protect against cash flow shortfalls related to the timing of projected revenue.

**NOTE 2: Cash Deposits with Financial Institutions**

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,250,000	\$ 1,250,000
Collateralized:		
Collateral held by the City's agent, pledging bank, or pledging bank's trust department or agent in the City's name	44,419,446	45,171,744
U.S. government guaranteed accounts	56,208	57,304
	<u>44,475,654</u>	<u>45,229,048</u>
Total Deposits	<u>\$ 45,725,654</u>	<u>\$ 46,479,048</u>

The above total deposits do not include cash on hand of \$31,701.

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 3: Legal or Contractual Provisions for Deposits and Investments**

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

**Pension Trust Funds**

State law generally requires that pension funds be deposited in banks. Pension funds may be invested in interest-bearing bonds of the United States, of the State of Arkansas, or of the city in which the board is located, or in a local government joint investment trust. State law also provides that if the total assets of the pension trust funds exceed \$100,000, the board may employ an investment advisor to invest the assets, subject to terms, conditions, limitations, and restrictions imposed by law on pension and relief funds for nonuniformed employees.

**NOTE 4: Public Fund Investments**

A summary of investments by fund types is as follows:

Fund Type	December 31, 2016
	Fair Value
Trust	\$ 10,370,056

**Trust Fund Investments**

	December 31, 2016
Investments in the Defined Benefit Pension Plan include:	
Separate Accounts	\$ 7,600,532
Mutual Funds	1,173,047
Exchange Traded Funds (ETF)	560,130
Total Defined Benefit Investments	9,333,709
Investments in the Defined Contribution Pension Plan include:	
Mutual Funds	1,036,347
Total Trust Fund Investments	\$ 10,370,056

Investments are reported at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity.)

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 4: Public Fund Investments (Continued)**

The City's investments are composed of the following:

	December 31, 2016	Quoted Prices in Active Markets for Identical Investments Level I	Other Observable Inputs Level II	Other Unobservable Inputs (supported by little or no market activity) Level III
<b>Investments by fair value level</b>				
Mutual Funds	\$ 2,209,394	\$ 2,209,394		
Exchange Traded Funds	560,130	560,130		
Total investments by fair value level	2,769,524	\$ 2,769,524		

**Investments measured at the net asset value (NAV)**

Equity long/short hedge funds	2,942,302
Event-driven hedge funds	2,599,367
Global opportunities hedge funds	992,193
Multi-strategy hedge funds	455,890
Real estate funds	610,780
Total investment measured at the NAV	7,600,532
Total investments measured at fair value	\$ 10,370,056

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

**Investments measured at NAV**

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity long/short hedge funds <sup>(1)</sup>	\$2,942,302	-	daily	one-day
Event-driven hedge funds <sup>(2)</sup>	2,599,367	-	daily	one-day
Global opportunities hedge funds <sup>(3)</sup>	992,193	-	daily	one-day
Multi-strategy hedge funds <sup>(4)</sup>	455,890	-	daily	one-day
Real estate funds <sup>(5)</sup>	610,780	-	daily	one-day
	<u>\$7,600,532</u>			

- Equity long/short hedge funds. This type includes investments in 8 hedge funds that invest both long and short term strategies primarily in U.S. common stocks and bonds. Management of each hedge fund has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this type have been determined using the NAV per share of the investments.
- Event-driven hedge funds. This type includes 3 investment funds. One fund invests approximately 80% of its net assets, plus any borrowings for investment purposes, in debt securities held by the Barclays U.S. Aggregate Bond Index which includes investment grade, fixed rate debt issues. The second fund invests primarily in intermediate-term, fixed-income investments such as public and private corporate bonds, commercial and residential mortgages, asset-backed securities, and U.S. government and agency backed securities. The third fund invests approximately 80% of its net assets, plus any borrowings for investment purposes, in below investment grade bonds (sometimes called "high yield bonds" or "junk bonds"). The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the investments.

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 4: Public Fund Investments (Continued)**

3. Global opportunities hedge. This type includes investments in 3 hedge funds. The first holds at least 80% of its net assets in value equity securities of small, medium, and large market capitalization companies outside the U.S. The second holds securities in companies with their principal place of business outside the U.S.; companies for which the principal securities market is outside the U.S.; or companies, regardless of where their securities are traded, derive 50% of their total revenue outside of the U.S. This hedge fund invests at least 80% in companies similar in size to companies included in the Citigroup Extended Market Index (EMI) World ex U.S. The third hedge fund invests in equity securities of companies with small to medium market capitalization in emerging market countries. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.
4. Multi-Strategy hedge funds. This type includes one fund that invests in a broad range of instruments including, but not limited to, equities, bonds, currencies, commodities, convertible securities, floating rate debt, and bank loans. It invests in securities of issuers located throughout the world, including the U.S., invests at least 30% of its net assets in foreign and emerging market securities, and holds investments tied economically to at least ten countries.
5. Real estate funds. This type includes two funds. One fund that invests primarily in commercial real estate holdings. It focuses on properties that return both lease income and appreciation of the buildings' marketable value. This investment option is subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. Investors may not be able to immediately withdraw funds contributed to the separate account. The second fund invests at least 80% of its net assets in investments related to real assets and real asset companies. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

Other required disclosures for investments:

- Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City's investments subject to credit risk at December 31, 2016 was \$3,427,676 (33%). Morningstar Rating Service rates the fixed income funds on five levels ranging from low to high. The Morningstar rating for these investments were rated as follows: 63% average, 23% below average, and 13% low.
- Interest Rate Risk –Interest rate risk is the risk that the value of investments will be reduced when market interest rates climb higher than the interest rate of the investment. The City invests in separate accounts and mutual funds which hold investments in both government and corporate bonds. The City had invested a total of \$3,427,676 (33%) in such funds at December 31, 2016.
- Foreign Currency Risk –This risk relates to the adverse effect on the fair value of an investment from changes in exchange rates. The City has investments totaling \$ 1,130,578 (11%) in mutual funds and separate accounts that may be affected by such changes in exchange rates.

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 5: Accounts Receivable**

The accounts receivable balance at December 31, 2016, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
State aid			\$ 16,592
Federal aid			161,430
Property taxes	\$ 261,152	\$ 121,893	
Franchise fees	323,890		
Sales taxes	2,468,467		186,025
Fines, forfeitures, and costs	110,023		
Interest and dividends	3,298		
Local permits and fees	66,603	2,506	812
Sanitation fees	5,485		
Advertising and promotion taxes			45,638
Park fees, rentals, and sales	4,946		
911 fees			153,647
County aid			24,662
Bus fares			1,817
Donations			300
Other	36,974	313	141
Totals	<u>\$ 3,280,838</u>	<u>\$ 124,712</u>	<u>\$ 591,064</u>

**NOTE 6: Accounts Payable**

The accounts payable balance at December 31, 2016, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 1,001,749	\$ 230,099	\$ 616,932
Payroll taxes payable			178,454
Customer deposits	32,497		
Totals	<u>\$ 1,034,246</u>	<u>\$ 230,099</u>	<u>\$ 795,386</u>

**NOTE 7: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2016	
	Interfund Receivables	Interfund Payables
General Fund	\$ 209,878	\$ 7,808
Street Fund	244	
Other Funds in the Aggregate:		
Special Revenue Funds:		
Emergency 911	59	
Federal Grants	8,592	150
Jonesboro Economical Transportation System	54	101,517
Community Development Block Grant	525	100,000
Cemetery		9,877
Totals	<u>\$ 219,352</u>	<u>\$ 219,352</u>

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances are expected to be repaid in 2017.

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 8: Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2016, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
General government			\$ 79,727
Law enforcement	\$ 125,206		168,962
Highways and streets		\$ 6,022,931	
Public safety	121,539		177,501
Recreation and culture	2,920		35,929
Advertising and promotion			342,732
Economic development			49,662
Community development			55,279
Airport			789,673
Pension benefits			10,465,520
Capital outlay			<u>7,733,508</u>
<b>Total Restricted</b>	<u>249,665</u>	<u>6,022,931</u>	<u>19,898,493</u>
<b>Committed for:</b>			
General government	<u>133,449</u>		
Social services			<u>1,308,240</u>
<b>Assigned to:</b>			
Highways and streets		472,056	
Public safety			217,004
Public transit			108,643
Airport			350,000
Capital outlay			<u>456,664</u>
<b>Total Assigned</b>		<u>472,056</u>	<u>1,132,311</u>
<b>Unassigned</b>	<u>28,798,579</u>		
<b>Totals</b>	<u>\$ 29,181,693</u>	<u>\$ 6,494,987</u>	<u>\$ 22,339,044</u>

**NOTE 9: Legal Debt Limit**

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2016, the legal debt limit for the bonded debt was \$225,143,410. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2016, the legal debt limit for short-term financing obligations was \$57,689,276. The amount of short-term financing obligations was \$400,000, leaving a legal debt margin of \$57,289,276.

**NOTE 10: Commitments**

Total commitments consist of the following at December 31, 2016:

	December 31, 2016
Long-term liabilities	\$5,393,326
Construction contracts	<u>1,910,110</u>
<b>Total Commitments</b>	<u><u>\$7,303,436</u></u>

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 10: Commitments (Continued)**

Long-term liabilities

Long-term liabilities at December 31, 2016 are comprised of the following:

	December 31, 2016
Promissory note with First Security Bank dated February 5, 2016, for the Miracle League Park Project with the principal and accrued interest at 1.55% due on February 5, 2017. Payments will be made from the Miracle League Fund.	\$ 400,000
Compensated absences	4,993,326
Total Long-term liabilities	<u>\$ 5,393,326</u>

Due to the City's regulatory basis of accounting, these liabilities are not recorded in the financial statements.

Post Employment Benefits Other Than Pensions

The amount of any actuarially determined accrued liability for post employment benefits other than pensions was not determined.

Estimated Cost of Landfill Closure and Postclosure Care Costs

State and federal laws require that the City of Jonesboro place a final cover on its Class IV landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. On March 29, 2007, FTN Associates, Ltd submitted a closure and post closure plan for the City's Class IV landfill with an estimated cost of \$7,500 based on the most expensive costs of post closure care for a two-year period. At the end of the two-year period, the Arkansas Department of Environmental Quality (ADEQ) confirmed the presence of methane gas and requires the City to monitor the gas and ascertain compliance with Regulation 22.415 Explosive Gas Control. Included in the postclosure care requirements, the landfill gas monitoring and landfill gas collection and control systems will be operated until such time that three consecutive quarterly monitoring events indicate no exceedances of the regulatory limits. Until the gas extraction and monitoring requirements of the postclosure care plan have been completed, the facility must remain in postclosure care status according to Regulation 22.1302(c) (4) (ii). On April 26, 2016, the City renewed a letter of credit from Centennial Bank in the amount of \$23,000 to satisfy financial assurance requirement of \$113,107 in estimated two year post closure costs for the Arkansas Department of Environmental Quality. The City now has permission from the ADEQ to monitor the methane gas and provide a report to ADEQ annually.

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2016:

Years Ending December 31,	Note
2017	\$ 406,303
Less Interest	<u>6,303</u>
Total Principal	<u><u>\$ 400,000</u></u>

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 10: Commitments (Continued)**

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2016:

Project Name	Estimated/Actual Completion Date	Contract Balance December 31, 2016
Craighead Forest Park Trail Phase 2	May 22, 2017	\$ 27,349
Airport Hangar Development Phase D	July 31, 2017	408,353
Highway 18 and Main Street Improvements	October 31, 2017	57,135
Higginbottom Creek Ditch Rechanneling	February 9, 2018	979,103
Shooting Sports Complex	March 1, 2018	360,000
Craighead Forest Park Trail	March 31, 2018	78,170
		<u>\$ 1,910,110</u>

**NOTE 11: Interfund Transfers**

The General Fund transferred \$8,770,123 to Other Funds in the Aggregate (\$957,179 to Federal Grants, \$2,944 to Metropolitan Planning Organization and \$7,810,000 to Capital Improvement) for the City's portion of various grants, reimbursement of expenses, and the City's portion of future statewide transportation improvement program projects, respectively. The General Fund also transferred \$217,688 to Other Funds in the Aggregate (\$147,688 to Jonesboro Economical Transit System and \$70,000 to Airport Commission) to supplement operations. The Other Funds in the Aggregate (Advertising and Promotion) transferred \$297,433 to the General Fund for reimbursement of expenses. Within Other Funds in the Aggregate Miracle League transferred \$2,500 to Federal Grants for reimbursement of expenses.

**NOTE 12: Subsequent Events**

On February 5, 2017, the City modified the promissory note with First Security Bank (Miracle League Park Project Refunding) to extend the maturity date to February 5, 2018.

On March 21, 2017, the City entered into a Contract with Sugg Construction for \$797,148 for the Craighead Forest Park road improvement project.

On September 5, 2017, the City entered into a contract with AWT Constructors, LLC for \$485,880 for the Cemetery Maintenance Building project.

**NOTE 13: Related Party Transactions**

- A. City Water and Light provides residents of the City of Jonesboro electrical, water, and wastewater services. Although City Water and Light operates as a separate organization, the City Council appoints six of its sixteen board members. Separate financial statements are available at 400 East Monroe Avenue, Jonesboro, Arkansas 72401. During 2016, City Water and Light contributed a total of \$521,038 and \$178,962 to the City's General and Capital Improvement Funds for the purchase of a fire truck and capital expenditures, respectively. City Water and Light also provided street lights, fire hydrants, free utility service to city buildings, and other services totaling approximately \$2,013,557.
- B. The City paid \$383,332 to Delta Dental of Arkansas for dental insurance in 2016. The Mayor is on the Board of Directors of Delta Dental of Arkansas. Jonesboro Ordinance no. 11-060 (August 16, 2011) allows the City to conduct business with this related party.

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 14: Joint Ventures**

A. Craighead County – Jonesboro Public Library

Craighead County and the City of Jonesboro entered into an agreement in July 1941 in accordance with Ark. Code Ann. § 13-2-401 to establish the Craighead County – Jonesboro Public Library. The agreement stated that resources would be consolidated in order to provide more complete, efficient and economical service. The County and City were given equal representation on the library board and each entity retained title to all books, bookcases, shelves, desks, etc. that were moved to the Craighead County – Jonesboro Public Library location. Separate financial statements are available at 315 West Oak Avenue, Jonesboro Arkansas 72401. The City of Jonesboro paid \$2,313,519 to the Craighead County – Jonesboro Public Library for the year ending December 31, 2016.

B. Crowley's Ridge Regional Library

The Craighead County - Jonesboro Public Library and the Poinsett County Library entered into an agreement in February 1978 in accordance with Ark. Code Ann. § 13-2-401 to establish the Crowley's Ridge Regional Library. The agreements states that each county shall provide its own quarters and county and branch library staff members are to be employed by the county library boards with salaries to be paid from county library funds. Regional staff members are to be selected by the regional board and the approval of the Arkansas Library Commission. The Craighead County librarian shall serve as the regional librarian and may employ a regional staff with the salaries being provided from the regional funds. The Arkansas Library Commission shall supervise the Crowley's Ridge Regional Library for the period of this agreement. Separate financial statements are available at 315 West Oak Avenue, Jonesboro, Arkansas 72401.

**NOTE 15: Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The City participates in the Arkansas Municipal League Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by municipal officials, employees, and volunteer fire fighters while performing work for the municipality. Rates for municipalities participating in this program are revised by class code on an annual basis by the Arkansas Workers' Compensation Commission.

The City participates in the Arkansas Public Entities Risk Management Association (APERMA) public entity risk pool for coverage in the following areas:

Building and Contents Program - This program is a blanket policy with coverage up to \$100,000,000 for any one loss with a \$500 deductible. Even though the APERMA property program limits are blanket, the City's property limits are tied back to the insurance statement of values. The City shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered city property.

Vehicle Program

- A. Liability - This program may pay all sums the City legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered city vehicle and for which the City is liable. The limit of payment for in-state claims is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident and \$25,000 for property damage per accident (\$100,000 respectively for out-of-state claims). The City shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered city vehicles owned or leased by the City.
- B. Physical Damage - This program covers vehicles and mobile equipment which are the property of the participating city. Property is valued at the cost to repair or replace the property after deduction for depreciation. Loss amounts will be reduced by the deductible amount of \$1,000 for Police Department vehicles and \$500 for all other covered vehicles and mobile equipment. The City agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 15: Risk Management (Continued)**

General Liability Program - The program shall provide legal defense in civil rights suits against the city government of a participating city and pay judgments imposed on City officials and employees and the city government and city-formed boards and commissions. Coverage is limited to \$350,000 per case with an annual aggregate of \$350,000. The City shall pay into the program each year a charge established annually by the Risk Management Fund Board for this coverage.

The City also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the Municipal Aid Fund. There is a \$2,500 deductible per occurrence.

**NOTE 16: Local Police and Fire Retirement System (LOPFI)  
(A Defined Benefit Pension Plan)**

Plan Description

The City contributes to the Local Police and Fire Retirement System (LOPFI), an agent multiple employer retirement system that acts as a common investment and administrative agent for cities and towns in Arkansas. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Local Police and Fire Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LOPFI. That report may be obtained by writing to Arkansas Local Police and Fire Retirement System, 620 W. 3<sup>rd</sup>, Suite 200, Little Rock, Arkansas 72201, by calling 1-866-859-1745, or on their website [www.lopfi-prb.com](http://www.lopfi-prb.com).

On October 1, 1997 and December 31, 2012, administration of the City of Jonesboro Firemen's Pension and Relief Fund and the City of Policemen's Pension and Relief Fund was transferred to LOPFI, respectively. The benefit structure of these plans was not changed.

Funding Policy

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by Social Security. The different employee contribution rates required by state law are:

- A. Paid service not covered by Social Security: 8.5% of gross pay
- B. Paid service also covered by Social Security: 2.5% of gross pay
- C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$2,691,076 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$1,383,778 for the year ended December 31, 2016.

Net Pension Liability

The City's proportionate share of the collective net pension liability at December 31, 2016 (actuarial valuation date and measurement date) was \$24,229,128.

CITY OF JONESBORO, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 17: Nonuniformed Employee's Pension Plan  
(A Defined Benefit Plan)**

Plan Description

Paid nonuniformed employees participate in the Nonuniformed Employee's Pension Plan, a single employer pension plan. Any pension plan member who has attained the age of sixty-five years and has served as an employee for at least five years is entitled to receive a monthly pension. Benefits are based on years of service and is equal to 1.5% for each year of service times the career average earnings. Retired employees shall receive a monthly benefit of not less than \$50. The plan allows for early retirement at age fifty-five with reduced benefits.

The plan also provides for similar benefits upon the physical or mental disability of participant. The plan provides for survivor benefits equal to the employee's contribution plus interest.

The City contributes the annual required contribution necessary to fund the unfunded actuarial accrued liability over 30 years.

On December 20, 2011, the Jonesboro City Council approved resolution no. 11:228 to freeze the Nonuniformed Employee's Defined Benefit Pension Plan. Employees will not earn any additional benefits after the effective date (December 31, 2011), and the employees' service with the City after the effective date will not be included in the determination of the employees' benefits under the Plan. Employees who are first hired after December 31, 2011 will not be eligible to participate in the Plan. Employees that have accrued a benefit under the Plan will continue to have their service with the City counted for purposes of vesting under the plan. This means that if an employee has less than five years of service, then their service after December 31, 2011, will still be counted towards the employee becoming 100% vested in their accrued benefits under the Plan (i.e., attaining five years of service).

Net Pension Liability

The City did not have a net pension liability at December 31, 2014 (actuarial valuation date and measurement date).

**NOTE 18: Nonuniformed Employee's Pension Plan  
(A Defined Contribution Plan)**

On December 6, 2011, the Jonesboro City Council approved Resolution no. 11:212 authorizing a contract to provide services for the Nonuniformed Employees 401 (a) Defined Contribution Plan and 457 (b) Retirement Savings Plan and Trust to be effective January 1, 2012.

Plan Description

The current plan consists of the employer's discretionary matching contribution to the 401(a) plan and the employee's contribution to the 457(b) plan. Employees become eligible to enter the plan once they have reached age 21 and have completed 90 days of service. Vesting is the portion of the City's discretionary matching contributions to the 401(a) plan that the employee has the right to receive and is based upon years of service with the City; one year – 25%, two years – 50%, three years 75%, and four years – 100%. Currently, the discretionary matching contribution made by the City is \$1 for each \$1 deferred up to 5% of the employee's compensation.

Distribution of benefits: Upon termination of employment, attainment of retirement age, death, or disability, participants may take their benefits in a lump sum or rollover.

The City's contribution to the plan was \$237,052 for the year ended December 31, 2016.

CITY OF JONESBORO, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2016

Schedule 1

	SPECIAL REVENUE FUNDS								
	Emergency 911	Advertising and Promotion	Federal Grants	Jonesboro Economical Transportation System	Community Development Block Grant	Airport Commission	State Forfeitures	Federal Forfeitures	Metropolitan Planning Organization
ASSETS									
Cash and cash equivalents	\$ 215,102	\$ 297,814	\$ 103,754	\$ 165,975	\$ 137,137	\$ 1,121,943	\$ 24,995	\$ 65,211	\$ 61,691
Investments									
Accounts receivable	195,117	45,638	60,874	55,085	27,005	19,283			20,283
Interfund receivables	59		8,592	54	525				
TOTAL ASSETS	<u>\$ 410,278</u>	<u>\$ 343,452</u>	<u>\$ 173,220</u>	<u>\$ 221,114</u>	<u>\$ 164,667</u>	<u>\$ 1,141,226</u>	<u>\$ 24,995</u>	<u>\$ 65,211</u>	<u>\$ 81,974</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 15,773	\$ 720	\$ 44,251	\$ 10,954	\$ 9,388	\$ 1,553	\$ 401		\$ 2,247
Interfund payables			150	101,517	100,000				
Settlements pending									
Total Liabilities	<u>15,773</u>	<u>720</u>	<u>44,401</u>	<u>112,471</u>	<u>109,388</u>	<u>1,553</u>	<u>401</u>		<u>2,247</u>
Fund Balances:									
Restricted	177,501	342,732	128,819		55,279	789,673	24,594	\$ 65,211	79,727
Committed									
Assigned	217,004			108,643		350,000			
Total Fund Balances	<u>394,505</u>	<u>342,732</u>	<u>128,819</u>	<u>108,643</u>	<u>55,279</u>	<u>1,139,673</u>	<u>24,594</u>	<u>65,211</u>	<u>79,727</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 410,278</u>	<u>\$ 343,452</u>	<u>\$ 173,220</u>	<u>\$ 221,114</u>	<u>\$ 164,667</u>	<u>\$ 1,141,226</u>	<u>\$ 24,995</u>	<u>\$ 65,211</u>	<u>\$ 81,974</u>

CITY OF JONESBORO, ARKANSAS  
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
REGULATORY BASIS  
DECEMBER 31, 2016

Schedule 1

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND	TRUST FUNDS		AGENCY FUNDS		
	Cemetery	Miracle League	Capital Improvement	Nonuniformed Employee's Pension	Nonuniformed Employee's Defined Contribution Pension	Payroll	Cafeteria Plan and Insurance	Totals
ASSETS								
Cash and cash equivalents	\$ 1,318,205	\$ 35,808	\$ 8,420,437	\$ 74,681	\$ 20,783	\$ 338,206	\$ 22,452	\$ 12,424,194
Investments				9,333,709	1,036,347			10,370,056
Accounts receivable	812	300	166,667					591,064
Interfund receivables								9,230
<b>TOTAL ASSETS</b>	<b>\$ 1,319,017</b>	<b>\$ 36,108</b>	<b>\$ 8,587,104</b>	<b>\$ 9,408,390</b>	<b>\$ 1,057,130</b>	<b>\$ 338,206</b>	<b>\$ 22,452</b>	<b>\$ 23,394,544</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 900	\$ 179	\$ 396,932			\$ 312,088		\$ 795,386
Interfund payables	9,877							211,544
Settlements pending						26,118	\$ 22,452	48,570
<b>Total Liabilities</b>	<b>10,777</b>	<b>179</b>	<b>396,932</b>			<b>338,206</b>	<b>22,452</b>	<b>1,055,500</b>
Fund Balances:								
Restricted		35,929	7,733,508	\$ 9,408,390	\$ 1,057,130			19,898,493
Committed	1,308,240							1,308,240
Assigned			456,664					1,132,311
<b>Total Fund Balances</b>	<b>1,308,240</b>	<b>35,929</b>	<b>8,190,172</b>	<b>9,408,390</b>	<b>1,057,130</b>			<b>22,339,044</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,319,017</b>	<b>\$ 36,108</b>	<b>\$ 8,587,104</b>	<b>\$ 9,408,390</b>	<b>\$ 1,057,130</b>	<b>\$ 338,206</b>	<b>\$ 22,452</b>	<b>\$ 23,394,544</b>

CITY OF JONESBORO, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 2

SPECIAL REVENUE FUNDS

	Emergency 911	Advertising and Promotion	Federal Grants	Jonesboro Economical Transportation System	Community Development Block Grant	Airport Commission	State Forfeitures	Federal Forfeitures	Metropolitan Planning Organization
REVENUES									
State aid			\$ 84,528	\$ 263,119		\$ 228,590			
Federal aid			768,904	752,151	\$ 656,398	309,056			\$ 106,902
Sales taxes	\$ 217,004					30,141			
Fines, forfeitures, and costs							\$ 23,783	\$ 54,553	
Interest and dividends	739	\$ 1,219	1,211	657		4,279	23	276	433
Local permits and fees									
Advertising and promotion taxes		688,623							
Employer/Employee contributions									
Park fees, rentals, and sales									
911 fees	948,871								
County aid	313,707								
Hangar leases and rentals						313,905			
Fuel commissions						76,144			
Bus fares				78,787					
Donations									
Net increase in fair market value of investments									
Other	374		5,905	11,270		3,366			795
<b>TOTAL REVENUES</b>	<b>1,480,695</b>	<b>689,842</b>	<b>860,548</b>	<b>1,105,984</b>	<b>656,398</b>	<b>965,481</b>	<b>23,806</b>	<b>54,829</b>	<b>108,130</b>
EXPENDITURES									
Current:									
General government			21,662		387,120				134,948
Law enforcement			346,752				15,210	13,081	
Highways and streets			123,802						
Public safety	1,462,012								
Sanitation									
Recreation and culture			1,205,389		59,017				
Social services					11,698				
Advertising and promotion		664,192							
Economic development			164,830						
Community development			8,823		236,751				
Public transit				1,280,639					
Airport						667,002			
<b>Total Current</b>	<b>1,462,012</b>	<b>664,192</b>	<b>1,871,258</b>	<b>1,280,639</b>	<b>694,586</b>	<b>667,002</b>	<b>15,210</b>	<b>13,081</b>	<b>134,948</b>
Debt Service:									
Loan principal									
Loan interest									
<b>TOTAL EXPENDITURES</b>	<b>1,462,012</b>	<b>664,192</b>	<b>1,871,258</b>	<b>1,280,639</b>	<b>694,586</b>	<b>667,002</b>	<b>15,210</b>	<b>13,081</b>	<b>134,948</b>

CITY OF JONESBORO, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 2

	SPECIAL REVENUE FUNDS								
	Emergency 911	Advertising and Promotion	Federal Grants	Jonesboro Economical Transportation System	Community Development Block Grant	Airport Commission	State Forfeitures	Federal Forfeitures	Metropolitan Planning Organization
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 18,683	\$ 25,650	\$ (1,010,710)	\$ (174,655)	\$ (38,188)	\$ 298,479	\$ 8,596	\$ 41,748	\$ (26,818)
OTHER FINANCING SOURCES (USES)									
Transfers in			959,679	147,688		70,000			2,944
Transfers out		(297,433)							
Contributions from City Water and Light									
Loan proceeds									
TOTAL OTHER FINANCING SOURCES (USES)		(297,433)	959,679	147,688		70,000			2,944
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	18,683	(271,783)	(51,031)	(26,967)	(38,188)	368,479	8,596	41,748	(23,874)
FUND BALANCES - JANUARY 1	375,822	614,515	179,850	135,610	93,467	771,194	15,998	23,463	103,601
FUND BALANCES - DECEMBER 31	\$ 394,505	\$ 342,732	\$ 128,819	\$ 108,643	\$ 55,279	\$ 1,139,673	\$ 24,594	\$ 65,211	\$ 79,727

CITY OF JONESBORO, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 2

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND	TRUST FUNDS		
	Cemetery	Miracle League	Capital Improvement	Nonuniformed Employee's Pension	Nonuniformed Employee's Defined Contribution	Totals
REVENUES						
State aid			\$ 106,944			\$ 683,181
Federal aid						2,593,411
Sales taxes			2,465,930			2,713,075
Fines, forfeitures, and costs						78,336
Interest and dividends		\$ 205	23,853	\$ 40,159	\$ 19,624	92,678
Local permits and fees	\$ 30,600					30,600
Advertising and promotion taxes						688,623
Employer/Employee contributions					237,052	237,052
Park fees, rentals, and sales		9,196				9,196
911 fees						948,871
County aid						313,707
Hangar leases and rentals						313,905
Fuel commissions						76,144
Bus fares						78,787
Donations		59,986				59,986
Net increase in fair market value of investments				440,048	37,330	477,378
Other		45	17,951	429		40,135
<b>TOTAL REVENUES</b>	<b>30,600</b>	<b>69,432</b>	<b>2,614,678</b>	<b>480,636</b>	<b>294,006</b>	<b>9,435,065</b>
EXPENDITURES						
Current:						
General government			310,089	430,854	63,859	1,348,532
Law enforcement						375,043
Highways and streets			3,918,229			4,042,031
Public safety						1,462,012
Sanitation			108,037			108,037
Recreation and culture		46,508	811,784			2,122,698
Social services	71,661					83,359
Advertising and promotion						664,192
Economic development						164,830
Community development						245,574
Public transit						1,280,639
Airport						667,002
<b>Total Current</b>	<b>71,661</b>	<b>46,508</b>	<b>5,148,139</b>	<b>430,854</b>	<b>63,859</b>	<b>12,563,949</b>
Debt Service:						
Loan principal		500,000				500,000
Loan interest		10,998				10,998
<b>TOTAL EXPENDITURES</b>	<b>71,661</b>	<b>557,506</b>	<b>5,148,139</b>	<b>430,854</b>	<b>63,859</b>	<b>13,074,947</b>

CITY OF JONESBORO, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 2

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND	TRUST FUNDS		
	Cemetery	Miracle League	Capital Improvement	Nonuniformed Employee's Pension	Nonuniformed Employee's Defined Contribution	Totals
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (41,061)	\$ (488,074)	\$ (2,533,461)	\$ 49,782	\$ 230,147	\$ (3,639,882)
OTHER FINANCING SOURCES (USES)						
Transfers in			7,810,000			8,990,311
Transfers out		(2,500)				(299,933)
Contributions from City Water and Light			178,962			178,962
Loan proceeds		400,000				400,000
TOTAL OTHER FINANCING SOURCES (USES)		397,500	7,988,962			9,269,340
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(41,061)	(90,574)	5,455,501	49,782	230,147	5,629,458
FUND BALANCES - JANUARY 1	1,349,301	126,503	2,734,671	9,358,608	826,983	16,709,586
FUND BALANCES - DECEMBER 31	\$ 1,308,240	\$ 35,929	\$ 8,190,172	\$ 9,408,390	\$ 1,057,130	\$ 22,339,044

CITY OF JONESBORO, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2016

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.
Advertising and Promotion	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, etc. Jonesboro Ordinance no. 73:2435 (May 21, 1973) established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
Federal Grants	Established to account for federal grants to be used for specific purposes.
Jonesboro Economical Transportation System	Jonesboro Ordinance no. 05:211 (July 19, 2005) established fund to receive federal grant funds to provide community transportation system.
Community Development Block Grant	Jonesboro Ordinance no. 05:240 (April 5, 2005) established fund to receive grant funds for various city departments.
Airport Commission	Ark. Code Ann. §§ 14-359-101 - 121 established the Municipal Airport Commission to operate and manage the airport. All revenue derived from the operation of the airport or flying field, after paying the operating expenses and maintenance, shall be set aside and used for additional improvements on the airport or for the retirement of bonds and interest thereon issued or advancement made for the purchase and improvement of the airport or flying field.
State Forfeitures	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Federal Forfeitures	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Metropolitan Planning Organization	Established to account for grant revenue from the United States Department of Transportation that provides transportation planning for this region, which includes Jonesboro, Brookland, Bay, and Bono.
Cemetery	Jonesboro Ordinance no. 10-020 (May 4, 2010) established fund for cemetery maintenance.
Miracle League	Established to account for donations for the Miracle League Field and playground site.
Capital Improvement	Voters approved a 0.5% sales and use tax for financing capital improvements and Jonesboro Ordinance no. 00:1021 (May 15, 2000) established fund to account for the taxes and expenditures. Voters approved to remove the sales and use tax restriction on August 12, 2014. Sales and use tax is now assigned by the City for financing capital improvement expenditures.
Nonuniformed Employee's Pension	Established to account for employee retirement plan established pursuant to Internal Revenue Service code § 401(a).

CITY OF JONESBORO, ARKANSAS  
NOTES TO SCHEDULES 1 AND 2  
DECEMBER 31, 2016

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Nonuniformed Employee's Defined Contribution Pension	Established to account for employee retirement plan established pursuant to Internal Revenue Service code §§ 401(a) and 457(b).
Payroll	Established to facilitate payment of payroll expenditures and related tax liabilities.
Cafeteria Plan and Insurance	Established to account for employee benefit plan withholdings and payments and to account for health insurance collections and payments for retirees and COBRA eligible former employees.

CITY OF JONESBORO, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2016  
(Unaudited)

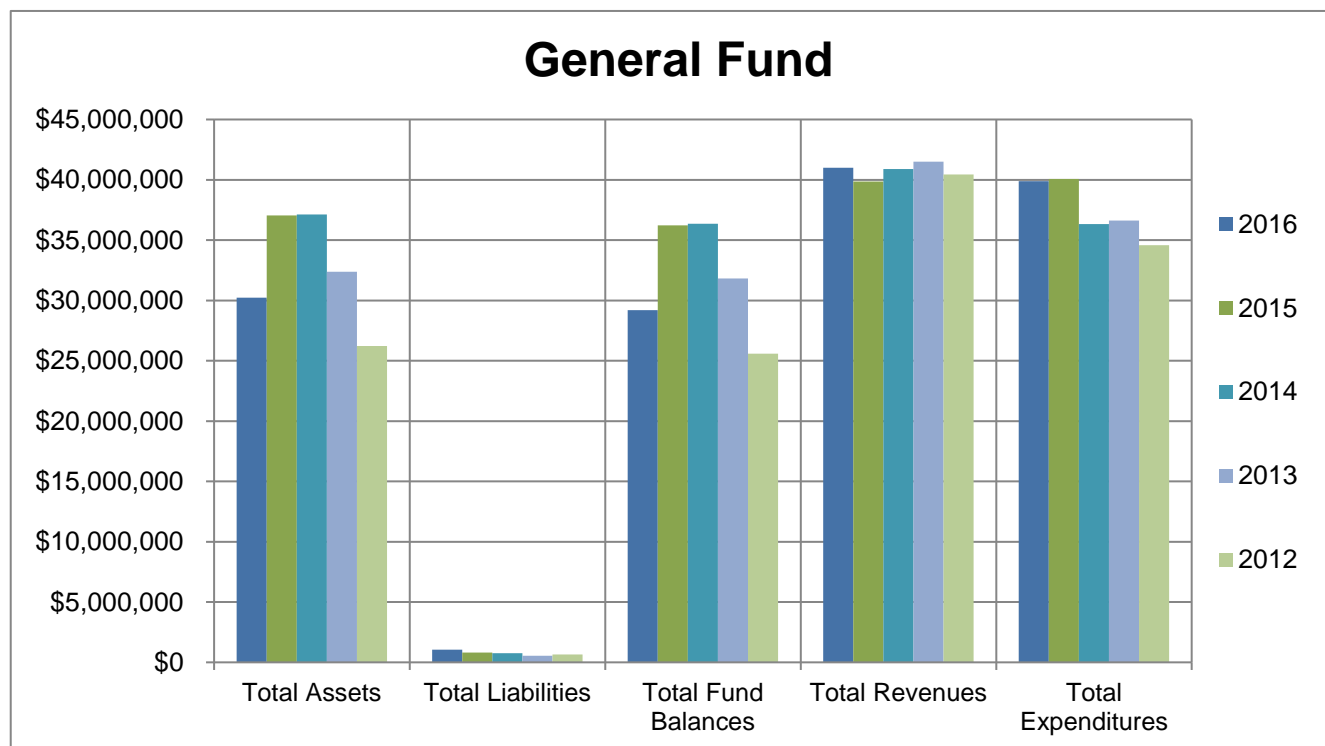
Schedule 3

	December 31, 2016
Land	\$ 18,986,710
Buildings	51,328,661
Equipment	41,096,982
Construction in progress	<u>13,277</u>
Total	<u><u>\$ 111,425,630</u></u>

CITY OF JONESBORO, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS  
DECEMBER 31, 2016  
(Unaudited)

Schedule 4-1

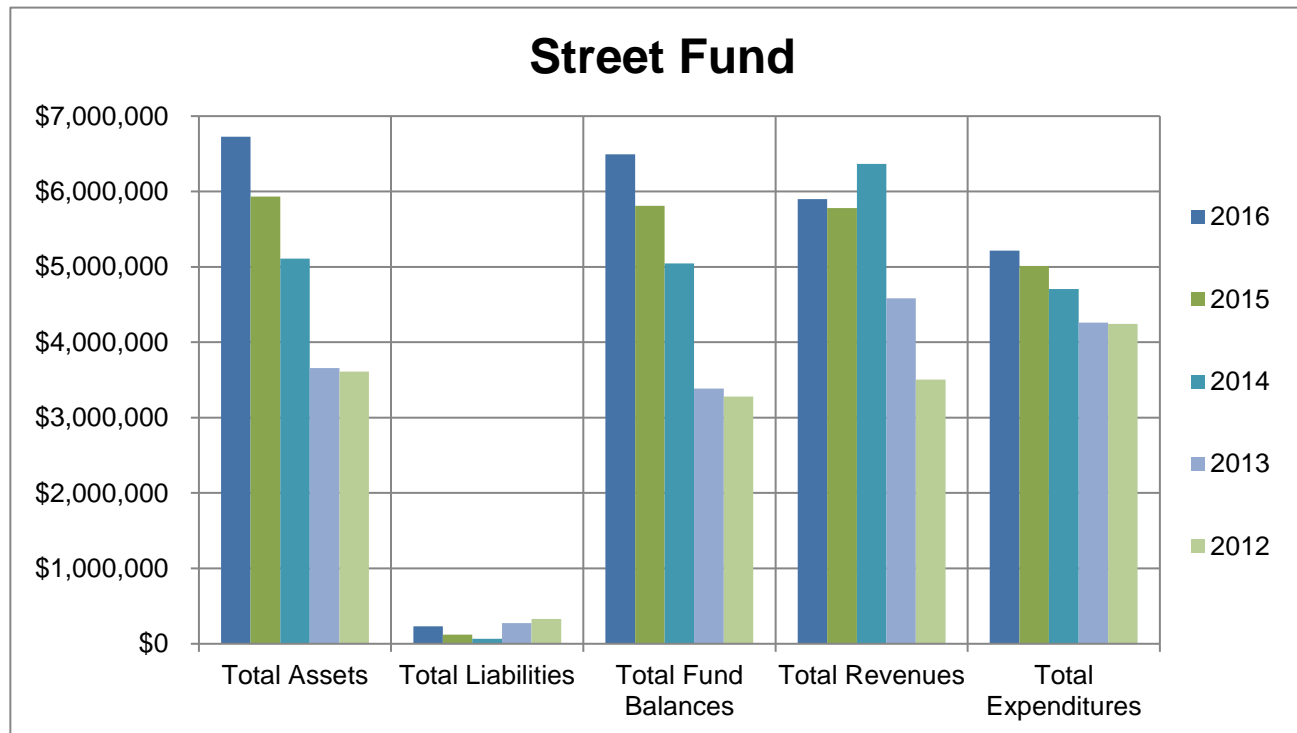
<b>General</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Total Assets	\$ 30,223,747	\$ 37,039,487	\$ 37,119,967	\$ 32,374,862	\$ 26,230,495
Total Liabilities	1,042,054	807,794	767,219	543,922	649,799
Total Fund Balances	29,181,693	36,231,693	36,352,748	31,830,940	25,580,696
Total Revenues	41,008,983	39,870,725	40,886,083	41,506,420	40,448,481
Total Expenditures	39,889,643	40,069,336	36,343,371	36,624,505	34,570,534
Total Other Financing Sources/Uses	(8,169,340)	77,556	(20,904)	1,561,339	1,358,336



CITY OF JONESBORO, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS  
DECEMBER 31, 2016  
(Unaudited)

Schedule 4-2

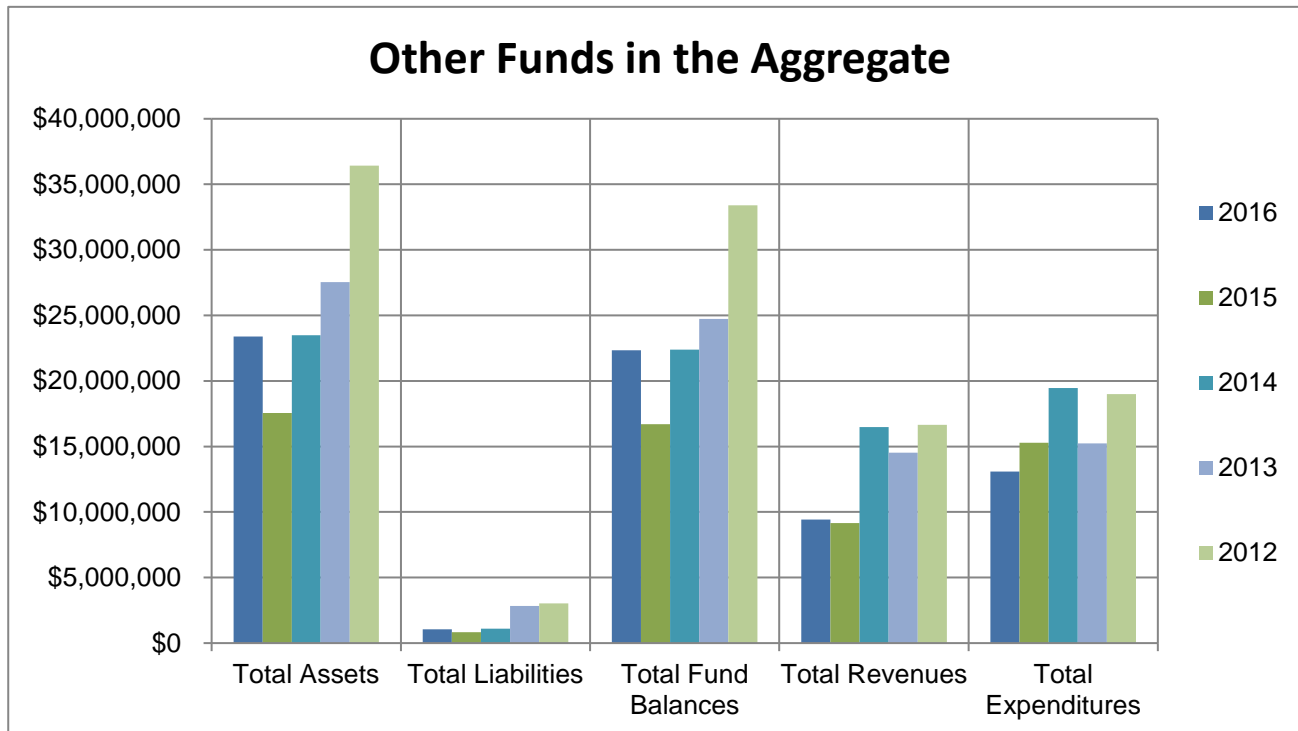
<b><u>Street</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Total Assets	\$ 6,725,086	\$ 5,933,829	\$ 5,111,542	\$ 3,657,263	\$ 3,610,365
Total Liabilities	230,099	121,862	64,722	272,517	330,251
Total Fund Balances	6,494,987	5,811,967	5,046,820	3,384,746	3,280,114
Total Revenues	5,899,323	5,778,884	6,366,607	4,581,926	3,503,915
Total Expenditures	5,216,303	5,013,737	4,704,533	4,261,028	4,241,747
Total Other Financing Sources/Uses					



CITY OF JONESBORO, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
DECEMBER 31, 2016  
(Unaudited)

Schedule 4-3

<b><u>Other Funds in the Aggregate</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Total Assets	\$ 23,394,544	\$ 17,549,132	\$ 23,482,497	\$ 27,550,201	\$ 36,417,802
Total Liabilities	1,055,500	839,546	1,100,451	2,826,261	3,031,094
Total Fund Balances	22,339,044	16,709,586	22,382,046	24,723,940	33,386,708
Total Revenues	9,435,065	9,145,615	16,467,705	14,523,504	16,657,744
Total Expenditures	13,074,947	15,290,519	19,465,590	15,243,223	18,996,333
Total Other Financing Sources/Uses	9,269,340	472,444	655,991	(7,903,788)	4,422,855



*City of Jonesboro, Arkansas*  
*Fiscal Year 2018 Budget*  
*Presented by Mayor Harold Perrin*

Operating Budget FY 2018						
Fund: General			Department: Parks			
Account Name	2015 Actual	2016 Actual	2017 Projected	2017 Budget	2018 Budget	Difference
Salaries- Parks	575,356	622,127	689,526	696,891	712,571	15,680
Holiday Pay	8,852	10,555	10,721	10,721	11,023	302
Group Insurance	87,183	94,954	84,449	93,581	96,500	2,919
Pension - City's Contribution	22,813	23,978	27,090	21,918	25,078	3,160
Payroll Taxes	57,841	61,407	65,988	66,998	69,784	2,786
Uniforms	4,593	7,505	7,500	7,000	8,000	1,000
Travel & Training	6,308	8,065	4,738	4,000	1,000	(3,000)
Part-Time Salaries	360,471	366,396	350,000	325,000	350,000	25,000
Overtime Salaries	26,386	17,127	21,823	17,000	20,000	3,000
Accrued Balance Payout	-	-	75	-	-	-
Unemployment/Wkms.Comp.	15,411	29,013	18,831	20,157	17,125	(3,032)
Medicare Contributions	13,528	14,362	15,433	15,669	16,320	651
Longevity Pay	-	10,725	3,000	3,000	3,000	-
<b>O&amp;M Personnel Accounts Sub-Total</b>	<b>1,178,743</b>	<b>1,266,215</b>	<b>1,299,175</b>	<b>1,281,935</b>	<b>1,330,401</b>	<b>48,466</b>
Telephone Expense	11,237	16,197	13,736	16,000	16,000	-
Utilities	1,140	1,121	1,240	1,500	1,200	(300)
Insurance and Licenses	42,854	44,862	35,931	37,898	36,352	(1,546)
Professional Services	925	926	1,975	1,000	1,500	500
Postage	494	425	432	500	500	-
Advertising and Printing	12,414	11,014	8,382	9,000	9,000	-
Maint Bldg & Grns	158,401	152,261	102,399	150,000	85,000	(65,000)
Equipment Maintenance	48,655	40,254	25,469	50,000	25,000	(25,000)
Auto Expense	28,914	37,180	25,903	20,000	20,000	-
Supplies	144,891	136,792	140,000	125,000	102,476	(22,524)
Office Supplies	5,617	8,855	6,712	7,500	7,500	-
Fuel	31,076	29,114	34,563	40,000	62,775	22,775
Dues & Subscriptions	1,155	1,130	1,200	965	1,223	258
Fixed Assets	79,800	99,385	111,129	141,150	55,000	(86,150)
Minor Equipment & Furniture	17,167	23,087	18,773	7,900	8,900	1,000
Rentals/ Contracts	9,075	10,361	8,500	5,000	7,000	2,000
Concessions- Cost of Goods	13,573	13,977	15,000	14,000	15,000	1,000
Mobile Data Services	-	-	2,718	-	3,000	3,000
Maintenance Contracts	-	1,273	1,333	3,000	-	(3,000)
<b>O&amp;M Operations Accounts Sub-Total</b>	<b>607,391</b>	<b>628,215</b>	<b>555,395</b>	<b>630,413</b>	<b>457,426</b>	<b>(172,987)</b>
<b>Total</b>	<b>\$ 1,786,134</b>	<b>\$ 1,894,430</b>	<b>\$ 1,854,569</b>	<b>\$ 1,912,348</b>	<b>\$ 1,787,827</b>	<b>\$ (124,521)</b>



## Legislation Details (With Text)

<b>File #:</b>	RES-18:185	<b>Version:</b>	1	<b>Name:</b>	APPLY FOR 2018 FIRE PREVENTION AND SAFETY GRANT PROGRAM FROM THE DEPARTMENT OF HOMELAND SECURITY
<b>Type:</b>	Resolution	<b>Status:</b>			To Be Introduced
<b>File created:</b>	11/7/2018	<b>In control:</b>			Finance & Administration Council Committee
<b>On agenda:</b>		<b>Final action:</b>			
<b>Title:</b>	RESOLUTION AUTHORIZING CITY OF JONESBORO GRANTS AND COMMUNITY DEVELOPMENT TO APPLY FOR 2018 FIRE PREVENTION AND SAFETY GRANT PROGRAM FROM THE DEPARTMENT OF HOMELAND SECURITY				
<b>Sponsors:</b>	Fire Department, Grants				
<b>Indexes:</b>	Grant				
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">FY18FPSNOFO</a>				

Date	Ver.	Action By	Action	Result
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RESOLUTION AUTHORIZING CITY OF JONESBORO GRANTS AND COMMUNITY DEVELOPMENT TO APPLY FOR 2018 FIRE PREVENTION AND SAFETY GRANT PROGRAM FROM THE DEPARTMENT OF HOMELAND SECURITY

WHEREAS, applications are now being accepted for the FY 2018 Fire Prevention and Safety grant (FP&S); and

WHEREAS, the FP&S program is funded at 95% by the U.S. Department of Homeland Security and a 5% local match is required; and

WHEREAS, the Jonesboro Fire Department is seeking funding for \$15,000 to purchase smoke alarms for the community and fire safety materials for kids of which \$14,250 is federally funded and \$750 is local match.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

SECTION 1: The Jonesboro City Council supports the submission of the FY 2018 Fire and Safety Prevention grant for smoke alarms and fire safety materials.

SECTION 2: The Mayor and the City Clerk are hereby authorized by the City Council for the City of Jonesboro to execute all necessary documents to effectuate the application.

SECTION 3: The Grants and Community Development Department is hereby authorized by the City Council for the City of Jonesboro to submit all necessary documents for this federal grant.

**The U.S. Department of Homeland Security  
Notice of Funding Opportunity  
FY 2018 Fire Prevention and Safety**

**NOTE:** If you are going to apply for this funding opportunity and have not obtained a Data Universal Numbering System (DUNS) number and/or are not currently registered in the System for Award Management (SAM), please take immediate action to obtain a DUNS Number, if applicable, and then to register immediately in SAM. It may take 4 weeks or more after you submit your SAM registration before your registration is active in SAM, then an additional 24 hours for Grants.gov to recognize your information. Information on obtaining a DUNS number and registering in SAM is available from Grants.gov at: <http://www.grants.gov/web/grants/register.html>. Detailed information regarding DUNS and SAM is also provided in Section D of this NOFO, subsection, Content and Form of Application Submission.

**A. Program Description**

**Issued By**

U.S. Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA)/Grant Programs Directorate (GPD)

**Catalog of Federal Domestic Assistance (CFDA) Number**  
97.044

**CFDA Title**

Assistance to Firefighters Grant (AFG)

**Notice of Funding Opportunity (NOFO) Title**

Fiscal Year (FY) 2018 Fire Prevention and Safety (FP&S)

**NOFO Number**

DHS-18-GPD-044-000-98

**Authorizing Authority for Program**

Section 33 of the *Federal Fire Prevention and Control Act of 1974* (Pub. L. No. 93-498, as amended) (15 U.S.C. § 2229)

**Appropriation Authority for Program**

*Department of Homeland Security Appropriations Act, 2018* (Pub. L. No. 115-141)

**Program Type**

New

**Program Overview, Objectives, and Priorities**

***Program Overview***

The Department of Homeland Security (DHS) Federal Emergency

Management Agency's (FEMA) Grant Programs Directorate is responsible for the implementation and administration of the Assistance to Firefighters Grant (AFG) Program. The Grant Programs Directorate administers the Fire Prevention and Safety (FP&S) Grant Program as part of the AFG Program.

The FY 2018 Fire Prevention and Safety (FP&S) Program is set against the backdrop of a year in which the United States faced numerous and unprecedented homeland security challenges. These included the three major hurricanes that devastated parts of Texas, Florida, and much of Puerto Rico and the U.S. Virgin Islands, as well as massive wildfires across California. In addition to these natural disasters, the Nation also responded to multiple incidents as part of the evolving threat landscape, including witnessing the first known terrorist attack executed against mass transportation on our soil; cyberattacks against critical port infrastructure; and mass casualty events involving both vehicles and active shooters.

The National Preparedness Goal (the Goal) defines what it means to be prepared for such diverse and complicated events. The National Preparedness System is the instrument the Nation employs to build, sustain, and deliver the core capabilities needed to achieve the goal of a more secure and resilient Nation. The development and sustainment of these core capabilities is not exclusive to any single level of government or organization, but rather requires the combined effort of the whole community. To that end, the FY 2018 FP&S Program represents one part of a comprehensive set of measures authorized by Congress and implemented by the Administration. Among the five basic homeland security missions noted in the DHS Quadrennial Homeland Security Review, the FP&S Program supports the goal to Strengthen National Preparedness and Resilience.

The recently released [2018-2022 FEMA Strategic Plan](#) creates a shared vision for the field of emergency management and sets an ambitious, yet achievable, path forward to unify and further professionalize emergency management across the country. The FP&S Program supports the goal of Ready the Nation for Catastrophic Disasters. We invite all of our stakeholders and partners to also adopt these priorities and join us in building a stronger agency and a more prepared and resilient nation.

### ***Program Objectives***

The purpose of the FP&S Grant Program is to enhance the safety of the public and firefighters with respect to fire and fire-related hazards by assisting fire prevention programs and supporting firefighter health and safety research and development.

The objective of the FY 2018 FP&S Grant Program is for grantees to carry out fire prevention education and training, fire code enforcement, fire/arson investigation, firefighter safety and health programming, prevention efforts, and research and development.

In awarding grants, the Administrator of FEMA is required to consider the following:

- The findings and recommendations of the Technical Evaluation Panel (TEP);
- The degree to which an award will reduce deaths, injuries, and property damage by reducing the risks associated with fire-related and other hazards; and
- The extent of an applicant's need for an FP&S Grant and the need to protect the United States as a whole.

### **Activities**

FP&S Grants are offered to support projects in two activities. This NOFO provides potential eligible applicants with application requirements and details for processing and evaluating applications for financial assistance for both of these activity areas.

- **Fire Prevention and Safety Activity (FP&S):** The FP&S Activity is designed to reach high-risk target groups and mitigate the incidence of death, injuries, and property damage caused by fire and fire-related hazards.

Accordingly, the four project categories eligible for funding under this activity are:

1. Community Risk Reduction;
2. Code Enforcement/Awareness;
3. Fire & Arson Investigation; and
4. National/State/Regional Programs and Studies.

Each category within this activity has specific priorities. For additional details, please see [Appendix B – Programmatic Information and Priorities](#), Section II. Funding Priorities.

- **Firefighter Safety Research and Development (R&D) Activity:** The R&D Activity is aimed at improving firefighter safety, health, or wellness through research and development that reduces firefighter fatalities and injuries.

The six project categories eligible for funding under this activity are:

1. Clinical Studies;
2. Technology and Product Development;
3. Database System Development;
4. Dissemination and Implementation Research;
5. Preliminary Studies; and
6. Early Career Investigator.

### **Performance Metrics**

Performance metrics for this program are as follows:

- **FP&S Activity**
  - Community Risk Reduction:
    1. Decrease in fire incidents per 100 residents in target population
    2. Decrease in fire deaths per 1000 residents in target population

3. Percent of whole community population trained
  4. Percent of target population trained
  5. Local number of lives saved
  6. Local number of Quality-adjusted life years (QALY)
- Code Enforcement/Awareness:
    1. Decrease in percentage of total fire losses occurring in inspectable occupancies
    2. Decrease in number of structural fires/1000 residents of inspectable occupancies
    3. Decrease in fire deaths/1000 residents of inspectable occupancies
    4. Decrease in inspectable property structure fires with at least \$25,000 in loss
  - Fire and Arson Investigation:
    1. Increase in percentage of fires where cause is determined
    2. Increase in arson arrest and conviction rates
  - National/State/Regional Programs and Studies:
    1. Number of firefighters trained
- **R&D Activity (All Categories)**
    1. Number of Training Academies adopting training materials developed through FP&S Research (breakout by Career and Volunteer)
    2. Number of firefighters trained with materials developed through FP&S Research (breakout by Career and Volunteer)
    3. Industry standards influenced, changed, or added through FP&S Research

Data for these metrics will be collected throughout the life of the grant during reporting and closeout.

### ***Program Priorities***

For information on program priorities and objectives for the FY 2018 FP&S Grant Program, refer to [Appendix B – Programmatic Information and Priorities](#).

The FP&S Program also addresses the following “Core Capabilities” of the National Preparedness Goal:

- Fire Management and Suppression
- Planning
- Public Information and Warning
- Environmental Response/Health and Safety
- Threats and Hazards Identification
- Public Health, Healthcare, and Emergency Medical Services
- Risk and Disaster Resilience Assessment
- Community Resilience
- Long-Term Vulnerability Reduction

## **B. Federal Award Information**

### **Award Amounts, Important Dates, and Extensions**

**Available Funding for the NOFO:** \$35,000,000

**Projected Number of Awards:** 150

**Period of Performance:** 12 – 36 months. Extensions are permitted. For additional information on period of performance extensions, refer to Section H: Additional Information.

- **FP&S Activity:** The period of performance for projects funded under the FP&S Activity is generally 12 months. Eligible applicants who propose complex projects, such as those under the National/Regional/State Programs and Studies project category, may apply for up to a 24-month period of performance from the date of award.
- **R&D Activity:** The period of performance for projects proposed under the R&D Activity is 12, 24, or 36 months from the date of award.

**Projected Period of Performance Start Date(s):** 06/01/2019

**Projected Period of Performance End Date(s):** 05/31/2020 – 05/31/2022

**Funding Instrument:** Grant

## **C. Eligibility Information**

### **Eligible Applicants**

The following entities are eligible to apply directly to FEMA under this NOFO:

#### **1. Fire Prevention and Safety Activity (FP&S)**

Fire departments; and national, regional, state, local, federally recognized tribal, and non-profit organizations that are recognized for their experience and expertise in fire prevention and safety programs and activities. Both private and public non-profit organizations are eligible to apply for funding in this activity.

For-profit organizations, federal agencies, and individuals are not eligible to receive an FP&S Grant Award under the FP&S Activity.

#### **2. Firefighter Safety Research and Development Activity (R&D)**

National, state, local, federally recognized tribal, and non-profit organizations, such as academic (e.g., universities), public health, occupational health, and injury prevention institutions. Both private and public non-profit organizations are eligible to apply for funding in this activity.

Fire departments are not eligible to apply for funding in the R&D Activity. Additionally, for-profit organizations, federal agencies, and individuals are not eligible to receive a grant award under the R&D Activity.

## **Eligibility Criteria**

FP&S Grants are offered to support projects in two activities:

- **Fire Prevention and Safety Activity:** FP&S Projects are designed to reach high-risk target groups and mitigate the incidence of death and injuries caused by fire and fire-related hazards.
- **Firefighter Safety Research and Development Activity:** R&D Projects are aimed at improving firefighter safety, health, or wellness through research and development that reduces firefighter fatalities and injuries.

Each activity has its own application and eligibility requirements. These requirements are outlined in [Appendix B – Programmatic Information and Priorities](#).

## **Other Eligibility Criteria**

### ***National Fire Incident Reporting System (NFIRS)***

NFIRS reporting is not a requirement to apply for any FP&S Program; however, fire departments that receive funding under this program must agree to provide information to the NFIRS for the period covered by the assistance. If a recipient does not currently participate in the incident reporting system and does not have the capacity to report at the time of the award, that recipient must agree to provide information to the system for a twelve-month period commencing as soon as possible after they develop the capacity to report. Capacity to report to the NFIRS must be established prior to the termination of the performance period. The recipient may be asked by FEMA to provide proof of compliance in reporting to NFIRS. Any recipient that stops reporting to NFIRS during their grant's period of performance may be subject to the remedies for noncompliance at 2 C.F.R. § 200.338, unless they have yet to develop the capacity to report to NFIRS, as described above.

### ***National Incident Management System (NIMS) Implementation***

FP&S Grant Program applicants are not required to comply with the [National Incident Management System](#) (NIMS) to apply for funding under this NOFO or to be awarded a grant under this NOFO. However, any applicant that receives an FY 2018 FP&S Grant Program award must achieve the level of [NIMS compliance](#) required by the authority having command and control jurisdiction over the applicant's emergency service operations (e.g., a local government), prior to the end of the grant's period of performance.

### ***Maintenance of Effort***

A maintenance of effort is required under this program for all recipients, unless modified by a waiver, subject to waiver eligibility. An applicant seeking an award under this NOFO shall agree to maintain during the term of the grant, the applicant's aggregate expenditures relating to the activities allowable under this NOFO at not less than 80 percent (80%) of the average amount of such expenditures in the two fiscal years preceding the fiscal year in which the grant award is received.

For more information on waiver eligibility, please see [Appendix C – Award Administration Information](#), Section I. Economic Hardship Waivers of Cost Share and Maintenance of Effort Requirements for the FP&S Grant Program for more information.

### ***Cost Share or Match***

An eligible applicant seeking an FP&S Grant Program award to carry out an activity shall agree to make available non-federal funds to carry out such activity in an amount equal to and not less than 5 percent of the grant awarded. The cost share is automatically calculated by the eGrant system in the Budget section of the application.

All recipients should ensure that they are thoroughly familiar with FEMA's cost sharing requirements identified below, as well as the appropriate cost principles as identified at 2 C.F.R. § 200.101(b)(1).

The recipient is not required to have the cost share at the time of application. However, before a grant is awarded, FEMA may contact potential awardees to determine whether the recipient has the funding in hand or if the recipient has a viable plan to obtain the funding necessary to fulfill the cost sharing requirement.

### ***Types of Cost Share***

#### **1) Cash**

Cost share match (cash or "hard match"), including non-federal cash spent for project-related costs.

#### **2) In-Kind**

Cost share match (also known as "soft match" or non-cash) are allowable for FP&S grants. This includes using the values for the following in-kind contributions to meet the cost share requirement:

- Complimentary activities (such as providing additional smoke alarms for installation or education materials for public education); and
- Provision of staff, facilities, services, material, or equipment.

In-kind is the value of something received or provided that does not have a cost associated with it. For example, where an in-kind match is permitted, then the value of donated services could be used to comply with the match requirement. Also, third party in-kind contributions may count toward satisfying match requirements, provided the recipient receiving the contributions expends them as

allowable costs in compliance with provisions listed above.

Recipients who use in-kind contributions for their five percent cost share must comply with all applicable regulations and 2 C.F.R. Part 200 regarding matching or cost-sharing. Applicants who are under consideration for award and plan to use in-kind as their method for cost sharing will be asked to submit their plan for documenting and verifying in-kind contributions prior to award. Please see 2 C.F.R. § 200.306, as applicable, for further guidance regarding cost matching.

For more information on 2 C.F.R. Part 200, please visit <https://www.fema.gov/media-library/assets/documents/101236>.

### ***Economic Hardship Waivers***

The Administrator of FEMA may waive or reduce cost share requirements in cases of demonstrated economic hardship. Please see [Appendix C – Award Administration Information](#), Section I. Economic Hardship Waivers of Cost Share and Maintenance of Effort Requirements for the FP&S Grant Program for more information.

## **D. Application and Submission Information**

### ***Key Dates and Times***

Date Posted to Grants.gov:	11/12/2018
Application Start Date:	11/12/2018
Application Submission Deadline:	12/21/2018 at 5:00 p.m. EST
Anticipated Funding Selection Date:	03/01/2019
Anticipated Award Date:	06/01/2019

In general, DHS/FEMA will not review applications received after the deadline or consider them for funding. DHS/FEMA may, however, extend the application deadline on request for any applicant who can demonstrate that good cause exists to justify extending the deadline. Good cause for an extension may include technical problems outside of the applicant's control that prevent submission of the application by the deadline, or other exigent or emergency circumstances. If applicants experience technical issues, they must notify the FEMA Help Desk as soon as possible. The AFG Help Desk can be reached at 1-866-274-0960 or by e-mail: [firegrants@dhs.gov](mailto:firegrants@dhs.gov). The Help Desk is open Monday – Friday, 8:00am – 4:00pm EST.

### ***Other Key Dates***

Event	Suggested Deadline for Completion
Obtaining DUNS Number	Four weeks before actual submission deadline
Obtaining a valid EIN	Eight weeks before actual submission deadline
Updating SAM registration	Four weeks before actual submission deadline
Submitting complete application in eGrants	One week before actual submission deadline

**Address to Request Application Package**

The online FY 2018 FP&S Grant Program application is available through the Assistance to Firefighters Grant (AFG) Program's eGrants system application portal at <https://portal.fema.gov/>. There are several ways to access application information:

- AFGP website (<http://www.fema.gov/firegrants>)
- Grants.gov (<http://www.grants.gov>)
- U.S. Fire Administration (<http://www.usfa.fema.gov>)

Hard copies of the application are not available.

In addition, the Telephone Device for the Deaf (TDD) and/or Federal Information Relay Service (FIRS) number available for this Notice is: (800) 462-7585.

Application tutorials and Frequently Asked Questions (FAQs) explain the current FP&S Grant Program, assist with the online grant application, and highlight lessons learned and changes for FY 2018. For more details, please visit the AFG website at <http://www.fema.gov/firegrants>.

**Content and Form of Application Submission**

DHS makes all funding opportunities available on the Internet, accessible at <http://www.grants.gov>. For technical assistance with Grants.gov, call the customer support hotline 24 hours per day, 7 days per week (except Federal holidays) at (800) 518-4726 or e-mail at [support@grants.gov](mailto:support@grants.gov).

The Grants.gov website will direct applicants to the eGrants system application portal at <https://portal.fema.gov/>, which contains the online FP&S application. All required forms have been incorporated into the online FP&S application.

The automated application is designed with help screens and drop-down lists to assist the applicant throughout the process. Applicants can save, retrieve, update, and revise their work through the end of the application period. Applicants should save their work often as the electronic application includes a time-out feature. The automated system does not allow an applicant to submit an incomplete application. The system alerts the applicant when required information has not been entered.

**Technological Note:** The application system and related websites may have issues with any other browser other than Internet Explorer (IE 6 or higher). The eGrants system is compatible up to Internet Explorer 11, which should be used if available to the applicant. Do not have multiple browser tabs open when entering information, even when using Internet Explorer. There are several known problems entering application information using non-IE browsers or having multiple browsers open, including but not limited to:

- System failure to recognize correct information.
- System failure to capture and retain correct information.
- System functions like "cut and paste" being disabled.

The eGrants system will allow an authorized representative to log in and create a user name and password. This user name and password is specific to the authorized user and must not be shared with other personnel. If the applicant has submitted other Assistance to Firefighters Grants Program applications (AFG, Staffing for Adequate Fire and Emergency Response (SAFER), FP&S, and/or Station Construction Grants (SCG)) in a previous grant cycle, they must continue to use the same username, password, and DUNS number for any FY 2018 application(s).

If the applicant has forgotten the password or primary point of contact has changed, please visit <http://www.fema.gov/assistance-firefighters-grant-program-most-frequently-asked-questions> for instructions on how to update and correct the organization's information.

Prior to final submission, an online application may be saved, retrieved, or edited, up to the application deadline.

### **NO APPLICATION WILL BE RELEASED BACK TO THE APPLICANT AFTER FINAL SUBMISSION**

After an application has been completed and submitted, no changes can be made. There is no appeal process for inaccurate or incomplete information retained by the system due to improper or multiple browser usage by the applicant.

The primary point of contact listed in the application will automatically be notified by email, via the eGrants system, once the application is received.

### **Unique Entity Identifier and System for Award Management (SAM)**

**All applicants for this award must:**

- 1. Be registered in SAM before submitting its application;**
- 2. Provide a valid DUNS number in its application; and**
- 3. Continue to maintain an active SAM registration with current information at all times during which it has an active federal award or an application or plan under consideration by DHS.**

DHS is participating in the Grants.gov initiative that provides the grant communities a single site to find grant funding opportunities. Before applying for a DHS Grant, applicants must have a Data Universal Number System, or DUNS number, and must be registered in SAM.

Instructions for obtaining a DUNS number can be found at the following Website:  
<http://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns-number.html>

### **System for Award Management (SAM)**

Applicant registration in SAM is free. All applicants must register in order to apply online. Step-by-step instructions for registering with SAM can be found here:  
<http://www.grants.gov/web/grants/applicants/organization-registration/step-2-register-with->

[sam.html](#). Please remember that SAM registration is only active for one year and must be renewed annually.

Existing SAM.GOV account holders should check their account to make sure it is “ACTIVE.” SAM registration should be completed at the very beginning of the application period, and renewed annually to avoid being “INACTIVE.”

**Please allow plenty of time before the grant application submission deadline to obtain a DUNS number and then to register in SAM. It may take four weeks or more after the applicant submits the SAM registration before the registration is active in SAM, then an additional 24 hours for Grants.gov to recognize the information.**

FEMA may not make an award to an entity until the entity has complied with the requirements to provide a valid DUNS number and maintain an active SAM registration with current information. If the applicant is noncompliant with this requirement at the time of award offer, then FEMA may determine the applicant is not qualified to receive an award.

**IMPORTANT:** The SAM registration process must be completed by the applicant. It is imperative that the information provided by the applicant is correct and current. Please ensure that your organization’s name, address, DUNS number, and [Employer Identification Number, or EIN](#), are up to date in SAM and that the DUNS number used in SAM is the same one used to apply for all other FEMA awards. The organization’s name on the SF 1199A Direct Deposit Form must be entered as it appears in SAM. Payment under any FEMA award is contingent on the recipient’s having a current SAM registration.

### **Help with SAM**

The SAM quick start guide for new recipient registration and SAM video tutorial for new applicants are tools created by the General Services Administration (GSA) to assist those registering with SAM. If applicants have questions or concerns about a SAM registration, please contact the Federal Support Desk at <https://www.fsd.gov/fsd-gov/home.do> or call toll free (866) 606-8220.

### **How to Get a Commercial and Government Entity (CAGE) Code**

To get a CAGE code, applicants must first be registered in SAM, which is a requirement for doing business with the Federal Government. Applicants will be assigned a CAGE code as part of the SAM validation process, and as soon as the registration is active, applicants may view the CAGE code online by logging in to the SAM account.

### **Timely Receipt Requirements and Proof of Timely Submission**

All applications must be received by 12/07/2018 at 5:00:00 PM ET. Proof of timely submission is automatically recorded by the AFG eGrants System. An electronic

date/time stamp is generated within the system when the application is successfully received by AFG eGrants. The applicant with the Point of Contact role who submitted the application will receive an acknowledgement of receipt and a tracking number (GRANTXXXXXXXX) from AFG eGrants with the successful transmission of their application.

AFG eGrants will provide an electronic acknowledgment of receipt of the application to the email address of the applicant with the POC role who submitted the application. Again, proof of timely submission shall be the official date and time that AFG eGrants receives your application. Applications received by AFG eGrants after the established due date for applications will be considered late and will not be considered for funding by DHS.

Applicants using slow internet, such as dial-up connections, should be aware that transmission can take some time before AFG eGrants receives your application. Again, AFG eGrants will provide either an error or a successfully received transmission in the form of an email sent to the applicant with the POC role. The eGrants Support Center reports that some applicants end the transmission because they think that nothing is occurring during the transmission process. Please be patient and give the system time to process the application.

### **Intergovernmental Review**

An intergovernmental review may be required. Applicants must contact their State's Single Point of Contact (SPOC) to comply with the state's process under Executive Order 12372 (see <http://www.fws.gov/policy/library/rgeo12372.pdf>).

### **Funding Restrictions**

Federal funds made available through this award may only be used for the purpose set forth in this award and must be consistent with the statutory authority for the award. Award funds may not be used for matching funds for any other federal grants/cooperative agreements, lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, federal funds may not be used to sue the Federal government or any other government entity. Failure to adhere to the award conditions will cause the recipient to be considered in default of the grant agreement, and may require the return of all federal funds disbursed under the grant.

Applicants may only submit one application, but may submit up to three projects under each activity (FP&S and R&D). Any applicant that submits more than one application may have *all* applications deemed ineligible. Applicants who request funding to conduct a risk assessment, may not request funding for any additional projects under the FP&S Activity.

For more information on restrictions on use of award funds, please see [Appendix B – Ineligible Projects](#) and [Appendix C – Award Administration Information](#).

### **Construction or Remodeling/Renovation Costs**

Construction costs are not eligible under the FP&S Grant Program. Construction includes major alterations to a building that changes the profile or footprint of the structure. To support eligible awarded activities, remodeling/renovations to an existing facility are limited to minor interior alterations costing less than \$10,000 and should be requested under Modification to Facilities. Some of these activities may require an Environmental and Historic Preservation (EHP) review; certain costs associated with an EHP review are eligible for reimbursement.

### **Environmental and Historic Preservation (EHP) Compliance**

As a federal agency, DHS/FEMA is required to consider the effects of its actions on the environment and historic properties to ensure that all activities and programs funded by the agency, including grants-funded projects, comply with federal EHP regulations, laws, and Executive Orders as applicable.

Recipients proposing projects that have the potential to impact the environment, including, but not limited to modification or renovation of existing buildings, structures, and facilities, must participate in the DHS/FEMA EHP review process. The EHP review process involves the submission of a screening form that includes a detailed project description that explains the goals and objectives of the proposed project along with supporting documentation so that DHS/FEMA may determine whether the proposed project has the potential to impact environmental resources and/or historic properties. In some cases, DHS/FEMA is also required to consult with other regulatory agencies and the public in order to complete the review process. The EHP review process must be completed before funds are released to carry out the proposed project. DHS/FEMA may not fund projects that are initiated without the required EHP review.

Additionally, all recipients are required to comply with FEMA EHP Policy Guidance. This EHP Policy Guidance can be found in FEMA Policy (FP) 108-023-1, [Environmental Planning and Historic Preservation Policy Guidance](#).

FP&S Grant Program projects that involve the installation of equipment not specifically excluded from a FEMA EHP Review, per the GPD Programmatic Environmental Assessment (PEA), such as ground-disturbing activities, or modification/renovation of existing buildings or structures, must undergo a FEMA EHP Review.

No facilities modification project can proceed, with the exception of project planning, prior to formal FEMA approval. Funds for activities that do not require an EHP Review may be requested by the recipient.

The following activities would not require the submission of the FEMA EHP Screening Form:

- Planning and development of policies or processes
- Management, administrative, or personnel actions
- Classroom-based training
- Acquisition of mobile and portable equipment (not involving installation) on or in a building

The AFG EHP Screening form and instructions are available at: <https://www.fema.gov/media-library/assets/documents/90195>. Complete the AFG EHP Screening form prior to the initiation of the project and submit to the EHP Office at [GPDEHPInfo@fema.dhs.gov](mailto:GPDEHPInfo@fema.dhs.gov). Further EHP guidance can be found at <https://www.fema.gov/media-library/assets/documents/85376>.

### **Pre-Award Costs**

Only costs incurred during the period of performance are allowable. However, recipients may request to be reimbursed for grant writer fees (see [Appendix C – Award Administration Information](#), Section II. Grant Writer/Preparation Fees; see also [Appendix B – Programmatic Information and Priorities](#)).

### **Award Limits**

Applications and awards under the FP&S Grant Program are limited to a maximum federal share of \$1.5 million. FP&S Research and Development applicants applying under the Early Career Investigator category are limited to a maximum federal share of \$75,000 per project year.

### **Management and Administration**

Management and administrative (M&A) expenses are not operational costs but are necessary costs incurred in direct support of the grant or as a consequence of it. As such, these costs can be itemized in financial reports. M&A expenses should be based only on actual expenses or known contractual costs; requests that are simple percentages of the award, without supporting justification, will not be allowed or considered for reimbursement. Salaries and fringe benefits for personnel directly supporting the grant are not required to be included in the M&A budget line item.

No more than 3 percent of the federal share of FP&S funds awarded may be expended by the recipient for M&A associated with the FP&S award.

### **Indirect (Facilities & Administrative [F&A]) Costs**

Indirect F&A costs are those costs incurred for a common or joint purpose benefitting more than one cost objective. These costs are not readily assignable to the costs objectives specifically benefitted, without effort disproportionate to the results achieved. Indirect costs are allowable under this program as described in 2 C.F.R. § 200.414. With the exception of recipients who have never received a negotiated indirect cost rate as described in 2 C.F.R. § 200.414(f), recipients must have an approved indirect cost rate agreement with their cognizant federal agency to charge indirect costs to this award. A copy of the approved rate (a fully executed, agreement negotiated with the applicant's cognizant federal agency) is required at the time of application, and must be provided to FEMA before indirect costs are charged to the award. Copies of the indirect cost rate agreements, along with the FP&S application number, must be submitted electronically, upon request, to [FireGrants@fema.dhs.gov](mailto:FireGrants@fema.dhs.gov).

Indirect costs will be evaluated as part of the application for federal funds, and must be included as a line item in the Request Details section of the application, to determine

if they are allowable, reasonable, or disproportionately impact an application's cost benefit.

### **Multiple Projects**

Eligible applicants (identified by unique federal tax identification numbers) may only submit one application. Applicants may submit an application for up to three projects under each activity (FP&S and R&D). Applicants applying for funding under both the FP&S and R&D Activities must do so within the same application. Each project within an application must be presented separately as a free-standing proposal. Any applicant that submits more than one application may have *all* applications deemed ineligible. Risk assessments are eligible for funding under the FP&S Activity; however, if selected as an activity project, no other projects may be eligible for funding under the FP&S Activity in the 2018 FP&S Grant Application year.

#### **Example 1**

A community has a strategic goal of reducing the number of fires caused by the use of barbecue grills on the balconies of apartments. Attainment of this goal will be supported through two projects.

The applicant plans to:

- Launch a public education project
- Strengthen code enforcement activities

While both projects aim to reach the same goal, the projects are independent of one another and will be funded as such. Therefore, the public education items would be listed as one supporting project and the code enforcement items listed as the second supporting project.

Although both projects will be included in one application, the projects must be independent in that the completion of one project, or any tasks within that project, does not depend on the funding of the other project. Each project requires its own separate supporting budget and Narrative Statement explaining how accomplishing these independent projects will help achieve the overall goal.

#### **Example 2**

A community or organization may have more than one strategic goal depending on its audience or risk.

For example, a national organization may have a goal to reduce firefighter fatalities through a national outreach project. It may also have a goal studying the effectiveness of public education messages. The organization would create one project for firefighter safety initiatives and a second project for national public education efforts.

## **E. Application Review Information**

Funding priorities and criteria for evaluating applications submitted under this NOFO are established by FEMA based on the recommendations from the Criteria Development Panel, as well as applicable laws and regulations. Each year, FEMA convenes a panel of fire service professionals to develop funding priorities for the FP&S Grant Program. The panel makes recommendations about funding priorities as well as developing criteria for awarding grants.

The **nine fire service organizations** represented on the panel are:

- International Association of Fire Chiefs
- International Association of Fire Fighters
- National Volunteer Fire Council
- National Fire Protection Association
- National Association of State Fire Marshals
- International Association of Arson Investigators
- International Society of Fire Service Instructors
- North American Fire Training Directors
- Congressional Fire Service Institute

The Criteria Development Panel is charged with making recommendations to FEMA regarding the creation or modification of previously established funding priorities as well as developing criteria for awarding grants. The content of this NOFO reflects implementation of the Criteria Development Panel's recommendations with respect to the priorities, direction, and criteria for awards.

Prior to making a federal award, the federal awarding agency is required by 31 U.S.C. § 3321 note, 41 U.S.C. § 2313, and 2 C.F.R. § 200.205 to review information available through any OMB-designated repositories of government-wide eligibility qualification or financial integrity information. Therefore, application evaluation criteria may include the following risk based considerations of the applicant: (1) financial stability; (2) quality of management systems and ability to meet management standards; (3) history of performance in managing federal awards; (4) reports and findings from audits; and (5) ability to effectively implement statutory, regulatory, or other requirements.

## **1. Supplemental Financial Integrity Review**

If the anticipated federal share of a federal award will be greater than the simplified acquisition threshold, currently \$250,000 (see 2 C.F.R. § 200.88<sup>1</sup>):

- Prior to making a federal award with a total amount of federal share greater than the simplified acquisition threshold, DHS is required to review and consider any information about the applicant that is in the designated integrity and performance

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<sup>1</sup> Pursuant to its authority at 2 C.F.R. § 200.102, the Office of Management and Budget (OMB) increased the simplified acquisition threshold to \$250,000 on June 20, 2018. See OMB memorandum M-18-18 at <https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf>.

system accessible through SAM (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)).

- An applicant, at its option, may review information in the designated integrity and performance systems accessible through SAM and comment on any information about itself that a federal awarding agency previously entered within the designated integrity and performance system accessible through SAM.
- FEMA will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, when making a judgment about the applicant's integrity, business ethics, and record of performance under federal awards when completing the review of risk posed by applicants as described in 2 C.F.R. § 200.205, "Federal Awarding Agency Review of Risk Posed by Applicants."

## **2. Review and Selection Process**

All applications submitted under this NOFO are competitively scored by no less than three members of the Peer Panel. Applications will also be evaluated through a series of internal FEMA review processes for completeness, adherence to programmatic guidelines, technical feasibility, costs/quantities, and anticipated effectiveness of the proposed project(s). The process by which applications will be reviewed is outlined below:

### **a. Peer Review Panels**

#### **i. Peer Review Panel Process – Fire Prevention and Safety Activity Projects**

All FP&S activity applications will be evaluated by a peer review process. A panel of peer reviewers is comprised of fire service representatives recommended by the CDP. These peer reviewers will assess the merits of each project application with respect to the detail provided in the Narrative Statement on the activity, including the evaluation elements listed in the Narrative Evaluation Criteria below.

The panel will independently score each project within the application, discuss the merits or shortcomings of the application, and document the findings. A consensus is not required.

#### **ii. Peer Review Panel Process – Research and Development Activity Projects**

The peer review process is comprised of a Fire Service Panel Review and a Science Panel Review.

##### Fire Service Panel Review

All eligible project applications will first be reviewed and scored by a panel of fire service experts to assess the need for the research results and the likelihood that the results would be implemented by the fire service in the United States. The projects that are determined most likely to be implemented to enable

improvement in firefighter safety, health, or wellness will be deemed to be in the “competitive range” and will be forwarded to the second level of project review, which is the scientific panel review process. This panel will be comprised of scientists and technology experts who have expertise pertaining to the subject matter of the proposal. A consensus is not required.

#### Science Panel Review

Scientific reviewers will independently score projects in the competitive range and, if necessary, discuss the merits or shortcomings of the project in order to reconcile any major discrepancies identified by fellow reviewers. A consensus is not required.

#### **b. Technical Evaluation Panel (TEP)**

The highest ranked projects from both Activities will be deemed in the fundable range. Applications that are in the fundable range will undergo a Technical Review by the FEMA Program Office prior to being recommended for award. The FEMA Program Office will assess the request with respect to costs, quantities, feasibility, eligibility, and recipient responsibility prior to recommending any application for award. Additionally, FEMA will review whether the project duplicates other federally funded research or prevention activities in order to avoid duplication.

Once the review process is complete, each project’s score will be determined and a final ranking of project applications will be created. FEMA will award grants based on this final ranking.

#### **c. Narrative Evaluation Criteria**

All complete and eligible applications are evaluated relative to FP&S Grant Program funding priorities (see information on the funding priorities in [Appendix B – Programmatic Information and Priorities](#), Section III. Funding Priorities).

The Narrative Statement of the application must provide specific details about the activity for which applicants seek funding, including budget details. The relative weight of the evaluation criteria used by the peer reviewers in the determination of the grant award, makes up the Narrative.

Applicants should save their work often as the electronic application includes a time-out feature. If no save activity is detected for a period of time, the application will time-out and all information that is not saved could be lost. Therefore, it is recommended that applicants type the Narrative Statement information offline using a word processing program to avoid losing any information.

Once the Narrative Statement is complete, applicants can then cut-and-paste the text into the appropriate sections within the Narrative Statement section of the online application.

Please note the Narrative Statement blocks do not allow for formatting. Do not type the Narrative Statement using only capital letters. Additionally, do not include tables, special

fonts (e.g., quotation marks, bullets), or graphs.

Space for the Narrative Statement is limited. While each element must have a minimum of 200 characters, each element will have a character limit which varies based on the questions being asked. Once the Narrative Statement is saved to the online application, log-out and then log back in to the application to verify that the information was successfully saved.

Peer Review Panelists will evaluate and score each activity based on the following narrative elements within each activity:

**i. Evaluation Criteria for Projects - Fire Prevention and Safety Activity**

- **Financial Need (10%):** Applicants must provide details in the Applicant Information section of the application on the need for financial assistance to carry out the proposed project(s). Applicants may include other unsuccessful attempts to acquire financial assistance. Applicants should: provide detail about the applicant's operating budget, including a high-level breakdown of the budget; describe the applicant's inability to address financial needs without federal assistance; and discuss other actions the applicant has taken to meet their needs (e.g., state assistance programs or other grant programs).
- **Vulnerability Statement (25%):** The assessment of fire risk is essential in the development of an effective project goal, as well as meeting FEMA's goal to reduce risk by conducting a risk assessment as a basis for action. Vulnerability is a "weak link," demonstrating high-risk behavior, living conditions, or any type of high-risk situation. The Vulnerability Statement should include a description of the steps taken to determine the vulnerability (weak link) and identify the target audience. The methodology for determination of vulnerability (i.e., how the weak link was found) should be discussed in-depth in the application's Narrative Statement.
  - The specific vulnerability (weak link) that will be addressed with the proposed project can be established through a formal or informal risk assessment. FEMA encourages the use of local statistics, rather than national statistics, when discussing the vulnerability.
  - In a clear, to-the-point statement, the applicant should summarize the vulnerability (weakness) the project will address, including who is at risk, what the risks are, where the risks are, and how the risks can be prevented, reduced, or mitigated.
  - For the purpose of the FY 2018 FP&S NOFO, formal risk assessments consist of the use of software programs or recognized expert analysis that assess risk trends.
  - Informal risk assessments could include an in-house review of available data (e.g., National Fire Incident Reporting System [NFIRS]) to determine fire loss, burn injuries or loss of life over a period of time, and the factors that are the cause and origin for each occurrence.

- **Implementation Plan (25%):** Each project should provide details on the implementation plan which discusses the proposed project's goals and objectives. The following information should be included to support the implementation plan:
  - Goals and objectives
  - Details regarding the methods and specific steps that will be used to achieve the goals and objectives
  - Timelines outlining the chronological project steps (this is critical for determining the likeliness of the project's completion within the period of performance)
  - Where applicable, examples of marketing efforts to promote the project, who will deliver the project (e.g., effective partnerships), and the manner in which materials or deliverables will be distributed
  - Requests for props (i.e., tools used in educational or awareness demonstrations), including specific goals, measurable results, and details on the frequency for which the prop will be utilized as part of the implementation plan. Applicants should include information describing the efforts that will be used to reach the high risk audience and/or the number of people reached through the proposed project (examples of props include safety trailers, puppets, or robots)

**NOTE:** For applicants proposing a complex project that may require a 24 month Period of Performance, please include significant justification and details in the implementation plan that justify the applicant's need for a Period of Performance of more than 12 months.

- **Evaluation Plan (25%):** Projects should include a plan for evaluation of effectiveness and identify measurable goals. Applicants seeking to carry out awareness and educational projects, for example, should identify how they intend to determine that there has been an increase in knowledge about fire hazards, or measure a change in the safety behaviors of the audience. Applicants should demonstrate how they will measure risk at the outset of the project in comparison to how much the risk decreased after the project is finished. There are various ways to measure the knowledge gained about fire hazards, including the use of surveys, pre- and post-tests, or documented observations. Applicants are encouraged to attend training on evaluation methods, such as the National Fire Academy's "[Demonstrating Your Fire Prevention Program's Worth](#)." Note: In addition to a detailed evaluation plan as described above, if awarded, grant recipients are required to report on specific performance metrics through performance reports and at closeout (see page 3-4 for required [performance metrics](#)).
- **Cost-Benefit (10%):** Projects will be evaluated and scored by the Peer Review Panelists based on how well the applicant addresses the fire prevention needs of the department or organization in an economic and efficient manner. The applicant should show how it will maximize the level of funding that goes directly

into the delivery of the project. The costs associated with the project must also be reasonable for the target audience that will be reached and a description should be included of how the anticipated project benefit(s) (quantified if possible) outweighs the cost(s) of the requested item(s). The application should provide justification for all costs included in the project in order to assist the Technical Evaluation Panel with their review.

- **Funding Priorities (5%):** Applicants will be evaluated and scored by the Peer Review Panelists on whether the proposed project meets the stated funding priority (listed below) for the applicable category.
  - **Community Risk Reduction:** Comprehensive home fire safety campaign with door-to-door smoke alarm installations and/or sprinkler awareness and/or community risk assessments.
  - **Fire/Arson Investigation Priority:** Projects that aim to aggressively investigate every fire.
  - **Code Enforcement/Awareness Priority:** Projects that focus on first time or reinstatement of code adoption and code enforcement, including Wildland Urban Interface (WUI) codes for communities with a WUI-wildfire risk.
  - **National/State/Regional Programs and Studies Priority:** Projects that focus on residential fire issues and/or firefighter safety and wellness by dissemination and implementation of programs, policies, or products from previous studies that used rigorous scientific methods to determine effectiveness or development of new projects that do not include a research component. Firefighter safety and wellness projects should aim to measurably change firefighter behavior and decision-making. Research to determine effectiveness of programs, policies, or products should be applied for under the Research and Development Activity. Fire departments that wish to carry out internal, local, firefighter safety and wellness projects should apply for this activity under the Assistance to Firefighters Grant Program.
    - **NOTE:** Applicants in the National/State/Regional Programs and Studies project category will be required to list in the Narrative Section any proposed or in place partnerships that would support the project.
  - **Additional Considerations**
    - **Meeting the needs of people with disabilities:** Applicants in the Community Risk Reduction category will receive additional consideration if, as part of their comprehensive smoke alarm installation and education program, they address the needs of people with disabilities (e.g., deaf/hard-of-hearing) in their community.
    - **Experience and Expertise:** Applicants who demonstrate their experience and ability to conduct fire prevention and safety activities, and to execute the proposed or similar project(s), will receive additional consideration.

## ii. Evaluation Criteria for Projects - Research and Development Activity

All projects will be reviewed by a fire service expert panel using weighted evaluation criteria, and those projects deemed to be in the “competitive range” will then be reviewed by a scientific peer review panel using weighted evaluation criteria to score the project. Scientific peer review evaluations will impact the ranking of a project for funding. Funding decisions will be informed by an assessment of how well the application addresses the criteria and considerations listed below.

#### **1. Fire Service Panel Evaluation Criteria:**

- **Purpose (25%):** Applicants should clearly identify the benefits of the proposed research project to improve firefighter safety, health, or wellness, and identify specific gaps in knowledge that will be addressed.
- **Implementation by Fire Service (25%):** Applicants should discuss how the outcomes/products of this research, if successful, are likely to be widely/nationally adopted and accepted by the fire service as changes that enhance firefighter safety, health, or wellness.
- **Potential Impact (15%):** Applicants should discuss the potential impact of the research outcome/product on firefighter safety by quantifying the possible reduction in the number of fatal or non-fatal injuries or on the projected wellness by significantly improving the overall health of firefighters.
- **Barriers (15%):** Applicants should identify and discuss potential fire service and other barriers to successfully completing the study on schedule, including contingencies and strategies to deal with barriers if they materialize. This may include barriers that could inhibit the proposed fire service participation in the study, barriers that could inhibit the adoption of successful results by the fire service when the project is completed, or project components most likely to cause delay in successful completion.
- **Partners (20%):** Applicants should recognize that participation of the fire service as a partner in the research from development to dissemination is regarded as an essential part of all projects. Describe the fire service partners and contractors that will support the project to accomplish the objectives of the study. The specific roles and contributions of the partners to the project should be described. Partnerships may be formed with local and regional fire departments and also with national fire-related organizations. Letters of support and letters of commitment to actively participate in the project should be included in the Appendix of the application. Generally, participants of a diverse population, including both career and volunteer firefighters, are expected to facilitate acceptance of results nationally. In cases where this is not practical, due to the nature of the study or other limitations, these circumstances should clearly be explained.

#### **2. Science Panel Evaluation Criteria**

- **Project goals, objectives, and specific aims (15%):** Applicants should address how the purpose, goals, objectives, and specific aims of the proposal will lead to results that will improve firefighter safety, health, or wellness. For multi-year projects, greater detail should be given for the first year. Also, describe the specific goals and objectives for the second and third year.
- **Literature Review (10%):** Applicants should provide a literature review that is relevant to the project's goals, objectives, and specific aims. The citations are placed in the narrative text and references listed at the end of the Narrative Statement (and not in the Appendix) of the application. The review should be in sufficient depth to make it clear that the proposed project is necessary, adds to an existing body of knowledge, is different from current and previous studies, and offers a unique contribution.
- **Project Methods (20%):** Applicants should provide a description of how the project will be carried out, including demonstration of the overall scientific and technical rigor and merit of the project. This includes the operations to accomplish the purpose, goals, and objectives, and the specific aims of the project. Plans to recruit and retain human subjects, where applicable, should be described. Where human subjects are involved, describe plans for submission to the Institutional Review Board (IRB) (for further guidance and requirements, see the Human Subjects Research section on pages 26-27 of this NOFO).
- **Project Measurements (20%):** Applicants should provide evidence of the technical rigor and merit of the project, such as data pertaining to validity, reliability, and sensitivity (where established) of the facilities, equipment, instruments, standards, and procedures that will be used to carry out the research. The applicant should discuss the data to be collected to evaluate the performance methods, technologies, and products proposed to enhance firefighter safety, health, or wellness. The applicant should demonstrate that the measurement methods and equipment selected for use are appropriate and sufficient to successfully deliver the proposed project objectives.
- **Project Analysis (20%):** The applicant should indicate the planned approach for analysis of the data obtained from measurements, questionnaires, or computations. Specify within the plan what will be analyzed, the statistical methods that will be used, the sequence of steps, and interactions as appropriate. It should be clear that the Principal Investigator (PI) and research team have the expertise to perform the planned analysis and defend the results in a peer review process.
- **Dissemination and Implementation (15%):** Applicants should indicate dissemination plans for scientific audiences (e.g., plans for submissions to specific peer review publications) and for firefighter audiences (e.g., via websites, magazines, and conferences). Also, assuming positive results and where applicable, indicate future steps that would support dissemination and

implementation throughout the fire service. These are likely to be beyond the current study, so those features of the research activity that will facilitate future dissemination and implementation should be discussed. All applicants should specify how the results of the project, if successful, might be disseminated and implemented in the fire service to improve firefighter safety, health, or wellness. It is expected that successful R&D Activity Projects may give rise to future programs including FP&S Activity Projects.

- **Additional Considerations**

- **Cost vs. Benefit:** Cost vs. benefit in this evaluation element refers to the costs of the grant for the research and development project vs. the benefits that are projected for firefighters who would have improved safety, health, or wellness. Applicants should demonstrate a high benefit for the cost incurred and effective utilization of federal funds for research activities.
- **Financial Need:** In the Applicant Information section of the application, applicants should provide details on the need for federal financial assistance to carry out the proposed project(s). Included in the description might be other unsuccessful attempts to acquire financial assistance. Applicants should provide details about the organization's operating budget, including a high-level breakdown of the budget; describe the department's inability to address financial needs without federal assistance; and discuss other actions the department has taken to meet their staffing needs (e.g., state assistance programs, other grant programs).
- **Mentoring (for Early Career Investigator Projects Only):** An important part of Early Career Investigator projects is the integration of mentoring for the principal investigator by experienced researchers in areas appropriate to the research project, including exposure to the fire service community as well as support for ongoing development of knowledge and skills. Mentoring is regarded as critical to the research skills development of early career principal investigators. As part of the application Appendix, the applicant should identify the mentor(s) that have agreed to support the applicant and the expected benefit of their interaction with the researcher. A biographical sketch and letter of support from the mentor(s) are encouraged and should be included in the Appendix materials.

- d. **Research and Development (R&D) Activity Formatting Requirements**

1. Applications must include one Narrative Statement and one Appendix document (per project).
2. The Narrative Statement for the R&D Activity is limited to 25 pages per project. The first page of the Narrative Statement must include an abstract of about 250 words that addresses purpose and aims, relevance, methods, and anticipated outcomes. Additionally, the fire service evaluation criteria should be addressed at the beginning of the narrative utilizing no more than 5 pages.

All narrative text, including pertinent references and footnotes must be in the Narrative Statement. It must include which selected R&D category type the project is addressing. Also, the contact information (e-mail address and telephone number) for the principal investigator must be provided on the first page of the Narrative Statement.

3. It may be useful to organize the Narrative Statement to follow the R&D Evaluation Criteria listed within this announcement, including the Fire Service criteria first followed by the Science criteria.
4. All references and footnotes pertaining to the Narrative Statement must be in the Narrative Statement. Tables and figures may be included in either the Narrative Statement or the Appendix document.
5. The Appendix is limited to 25 pages per project. It may include, as appropriate, data collection instruments, additional tables and figures, illustrations, specifications for product designs, and letters of commitment and role description from partners. Additionally, if this project is a resubmission, applicants may use the Appendix to address how they adapted the proposal to address reviewer concerns from a previous year.
6. A biographical sketch (biosketch) for the PI and lead scientists, as well as other key research personnel listed in the budget, are to be included in the Appendix, but are limited to a maximum of two pages per biosketch. Applicants are strongly encouraged to follow the biographical sketch sample (see Section e. Biographical Sketch Sample for Research and Development Projects) in preparing the biosketch.
7. **Font:** Times New Roman or Arial.
8. **Font Size:** 11 point (11 pt) or larger.
9. **Page Dimensions:** Page dimensions must be 8.5" x 11" or smaller.
10. **Margins:** All margins (top, bottom, left, and right) must be at least 1".
11. **Header:** The header on each page of the Narrative Statement and the Appendix must contain:
  - PI (surname)
  - Institution name (abbreviated)
  - Project Short Title
  - Page Number

e. **Biographical Sketch Sample for Research and Development Projects**

Applicants for the R&D Activity should provide Curriculum Vitae (CV) for PIs and also for lead scientists in the application appendix. The applicant is limited to a maximum of two pages per CV.

- **Font Size:** Minimum 11pt
- **Font Type:** Times New Roman or Arial
- **Page Count:** Two (maximum)
- **Must be completed by PI and Co-PI(s)**

NAME (Last, First, Middle)		POSITION TITLE	
Institution/Organization			
EDUCATION/TRAINING ( <i>Begin with baccalaureate or other initial professional education, such as nursing, and include postdoctoral training.</i> )			
INSTITUTION AND LOCATION	DEGREE ( <i>if applicable</i> )	YEAR(s)	FIELD OF STUDY

Each CV should include:

- **Positions.** List all appointments or other professional positions held, beginning with the present position and include years, title, organization, city, state, and country.
- **Service.** Include all positions held on advisory committees or other working groups, including all Federal Government advisory committees or other public working groups, beginning with most recent.
- **Honors.** Include all honors received in past 10 years and selected others.
- **Peer reviewed publications.** Include all peer-reviewed publications in past 10 years, beginning with most recent, and selected others.
- **Other publications.** Include all documents produced in past 10 years, beginning with most recent, and selected others.
- **Research Support.** List funding sources and amounts for all ongoing and completed research projects (federal and non-federal support) for past 10 years and selected others.

**3. Human Subjects Research**

The information in this section pertains only to those studies that include human subjects. Human subjects may be, for instance, firefighters who participate in laboratory or field

testing. As it would be standard practice for such research in the clinical sciences, all PI's with studies involving human subjects must submit their protocols to their local IRB. IRB approval must precede any research activities involving human subjects.

In addition, DHS-funded research that involves human subjects carries with it an additional obligation that involves review and approval by the DHS Compliance Assurance Program Office (CAPO). The FEMA AFG/FP&S Grant Program Office will serve as liaison for gaining DHS approvals prior to proceeding with the human subjects aspects of the project.

If the project is non-clinical, such as a technology project that is primarily product development with an emphasis on engineering, it is possible that such a project may be exempt from CAPO review and approval. Such determination will be made by CAPO in cooperation with the FP&S Grant Program Office following award,

DHS/FEMA has a responsibility to ensure that mechanisms and procedures are in place to protect the safety of human subjects in DHS/FEMA supported research. DHS requirements are set forth in DHS Management Directive No. 026-04, Protection of Human Subjects, which adopts 45 C.F.R. Part 46, Subparts A-D. A grant recipient must agree to meet all DHS requirements for studies using human subjects (and ensure any subrecipients or subcontractors meet those requirements) prior to implementing any work with human subjects. Therefore, before enrolling participants or commencing research involving human subjects, a grant recipient will provide a copy of the following for review and approval by the DHS Compliance Assurance Program Office:

- Department of Health and Human Services (HHS) Federal-Wide Assurance (FWA) Number (NOTE: The CAPO will assist domestic or international institutions that do not currently have a FWA in submitting an application to HHS)
- Documentation of review by an Institutional Review Board (IRB) registered with HHS, including IRB registration number, IRB name, and notice of IRB approval or exemption of the relevant research
- IRB-approved research protocol, such as contained in the methods section
- IRB-approved informed consent document (template) or IRB waiver of informed consent

Documentation should be submitted to the FP&S Grant Program Office which coordinates directly with the CAPO. The CAPO will conduct a regulatory compliance assessment and forward comments or concerns to the grant recipient. The recipient must address in writing all regulatory concerns to the satisfaction of the CAPO before a letter of certification is issued and participant enrollment can begin. However, development of tools (e.g., survey instruments), protocols, and data gathering approaches may proceed prior to project certification. The grant recipient must submit annual reports to the CAPO to include evidence of subsequent IRB reviews, amendments, or any changes of protocol.

## **F. Federal Award Administration Information**

### **Notice of Award**

Once an award has been approved and recorded in the system, an award package is sent to the grant official authorized by the recipient. The award package and email notification will be made within the eGrants system. The authorized grant official should follow the directions in the notification to accept the award documents. The authorized grant official should carefully read the award package for instructions on administering the grant, whether there has been an adjustment to the award, and to become familiar with the terms, conditions and responsibilities of federal awards.

The offered award will remain on hold and be available for a maximum of 30 days until the recipient either accepts the award via the online AFGP eGrants system, or declines the award. The awardee should follow the directions in the notification to confirm acceptance of the award.

Failure to accept the grant award within 30 days of an offer of Award may result in a loss of funds. Recipients may request additional time to accept the award if needed.

### **Differences Between Application Request and Award**

During the offer of an FP&S award, the application request(s) may have been modified during the review process, or awarded activities may require EHP review.

If the awarded activities, scope of work, or requested dollar amount(s) do not match the application as submitted, the grant recipient shall only be responsible for completing the activities actually funded by FEMA. The grant recipient is under no obligation to start, modify, or complete any activities requested but not funded by the award. Any differences will be identified in the award package, under the Negotiation section.

### **Turndown Notifications**

All applicants who do not receive an FY 2018 FP&S award will receive a decision notification from FEMA within the eGrants system. Due to the historical volume of applications and turndowns, a detailed debrief for each applicant will not be possible.

### **Administrative and National Policy Requirements**

All successful applicants for all DHS grant and cooperative agreements are required to comply with DHS Standard Terms and Conditions, which are available online at: <https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions>.

The applicable DHS Standard Terms and Conditions will be those in effect at the time in which the award was made.

Before accepting the award, the Authorized Organizational Representative (AOR) should carefully read the award package for instructions on administering the grant award and the terms and conditions associated with responsibilities under federal Awards.

Recipients must accept all conditions in this NOFO as well as any special terms and conditions in the Notice of Award to receive an award under this program.

### **Financial and Programmatic Reporting**

Recipients are required to submit various financial and programmatic reports as a condition of their award acceptance. Future awards and funds drawdown may be withheld if these reports are delinquent. Recipients should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of purchasing documentation along with copies of cancelled checks for verification.

### **Federal Financial Reporting Requirements**

#### **Federal Financial Reports (SF-425)**

Recipients of FP&S Grants are required to submit semi-annual Federal Financial Reports (FFR) (SF-425). The FFR is to be submitted using the online eGrants system based on the calendar year beginning with the period after the award is made. Grant recipients are required to submit an FFR throughout the entire period of performance of the grant. Reports are due

- **No later than July 30** (for period January 1 – June 30)
- **No later than January 30** (for period July 1 – December 31)
- Within 90 days after the end of the Period of Performance

The Federal Financial Reporting Form (FFR) SF-425 and instructions are available here: <https://www.grants.gov/web/grants/forms/post-award-reporting-forms.html#sortby=1>

#### **Financial and Compliance Audit Report**

For audits of fiscal years beginning on or after December 26, 2014, recipients that expend \$750,000 or more from all federal funding sources during their fiscal year are required to submit an organization-wide financial and compliance audit report. The audit must be performed in accordance with the requirements of GAO's Government Auditing Standards, located at <http://www.gao.gov/govaud/ybk01.htm>, and the requirements of Subpart F of 2 C.F.R. Part 200, located at <http://www.ecfr.gov/cgi-bin/text-idx?SID=876f827f6fae2c4bce610e9427a6d229&node=sp2.1.200.f&rgn=div6>.

### **Program Performance Reporting Requirements**

The recipient is responsible for completing and submitting a programmatic Performance Report using the eGrants system. The programmatic Performance Report is due every six months after the grant's award date, and thereafter until the period of performance ends.

### **Closeout Reporting Requirements**

Within 90 days after the end of the period of performance, recipients must submit a final SF-425 and final performance report (within the closeout module in the eGrants system) detailing all accomplishments and a qualitative summary of the impact of those accomplishments throughout the period of performance.

After these reports have been reviewed and approved by FEMA, a close-out notice will be completed to close out the grant. The notice will indicate the period of performance as closed, list any remaining funds that will be de-obligated, and address the requirement of maintaining the grant records for three years from the date of the final SF-425.

The recipient is responsible for returning any funds that have been drawn down but remain as unliquidated on recipient financial records.

Information on how to return funds to FEMA is available at:

<http://www.fema.gov/media-library/assets/documents/31261?id=7080>.

#### **Disclosing Information per 2 C.F.R. § 180.335**

This reporting requirement pertains to disclosing information related to government-wide suspension and debarment requirements. Before a recipient enters into a grant award with FEMA, the recipient must notify FEMA if it knows if any of the recipient's principals under the award fall under one or more of the four criteria listed at 2 C.F.R. § 180.335. At any time after accepting the award, if the recipient learns that any of its principals falls under one or more of the criteria listed at 2 C.F.R. § 180.335, the recipient must provide immediate written notice to FEMA in accordance with 2 C.F.R. § 180.350.

#### **Monitoring**

Recipients will be monitored periodically by FEMA staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met.

Monitoring may be accomplished through either a desk-based review or onsite monitoring visits, or both. Monitoring will involve the review and analysis of the financial, programmatic, performance, compliance, and administrative processes and policies, activities, and other attributes of each federal assistance award and will identify areas where technical assistance, corrective actions, and other support may be needed.

The recipient is responsible for monitoring all subaward activities to ensure compliance with federal and state laws, regulations, and guidance. Responsibilities include the accounting of receipts and expenditures, cash management, maintaining of adequate financial records, reporting and refunding expenditures disallowed by audits, monitoring, or other assessments and reviews.

#### **G. DHS Awarding Agency Contact Information and Resource Information**

Resources are available to:

- Guide applicants in completing FP&S Grant Applications; and
- Assist grant recipients with the programmatic or financial administration of an award.

### **AFG/FP&S Help Desk**

The AFG/FP&S Help Desk provides technical assistance to applicants for the online completion and submission of applications into the eGrants system, answers questions concerning applicant eligibility and grant recipient responsibilities, and offers assistance in the programmatic administration of awards. The AFG/FP&S Help Desk can be contacted at (866) 274-0960 or by email at [FireGrants@fema.dhs.gov](mailto:FireGrants@fema.dhs.gov). Normal hours of operation are from 8:00 a.m. to 4:30 p.m., Monday through Friday. All times listed are Eastern Time.

### **eGrants System Information**

For technical assistance with the eGrants system or FP&S Application or Award questions, please email the AFG/FP&S Help Desk at: [FireGrants@fema.dhs.gov](mailto:FireGrants@fema.dhs.gov), the Help Desk can also be contacted at (866) 274-0960.

### **Environmental and Historical Preservation (EHP)**

- EHP Screening forms and instructions are available at <http://www.fema.gov/media-library/assets/documents/90195>
- FP&S recipients requiring EHP assistance should contact the GPD EHP Team at: [GPDEHPInfo@fema.dhs.gov](mailto:GPDEHPInfo@fema.dhs.gov).

## **H. Additional Information**

### **Extensions to the Grant Period of Performance**

Extensions to the period of performance under this grant program are allowed. An award's period of performance must be active for a recipient to submit a proposed extension request to FEMA. Recipients should request extensions sparingly and only under exceptional circumstances, as failure to complete a project within the initial period of performance may impact future applications for funding. **Approval is not guaranteed.**

Extensions to the initial period of performance identified in the award will only be considered through formal requests, via the eGrants system, and must contain specific and compelling justifications as to why an extension is required.

All extension requests must contain:

1. Grant Program, Fiscal Year, and award number;
2. Reason for delay—this must include details of the legal, policy, or operational challenges being experienced that prevent the final outlay of awarded funds by the applicable deadline;
3. Current status of the activity/activities;
4. Approved period of performance termination date and new project completion date;
5. Amount of funds drawn down to date;
6. Remaining available funds, both federal and non-federal;
7. Budget outlining how remaining federal and non-federal funds will be expended;
8. Plan for completion, including milestones and timeframes for achieving each milestone and the position/person responsible for implementing the plan for completion; and

9. Certification that the activity/activities will be completed within the extended period of performance without any modification to the original Statement of Work approved by FEMA.

**Requirements for Extension Consideration**

To be eligible for consideration, extension requests must be submitted via the eGrants system. Requests can be submitted no earlier than 120 days but no later than 60 days prior to the end of the award's period of performance.

In accordance with FEMA policy, extensions are reviewed on a case-by-case basis, and typically granted for no more than a six-month time period. Extension requests will be granted only due to compelling legal, policy, or operational challenges. The review process can take up to 30 days or longer. This review period should be factored into the timing of when to submit a request for an extension.

**Example:** Recipients may request an extension, when not adjusting the timeline for liquidating obligations would constitute a verifiable legal breach of contract by the recipient with vendors or subrecipients; or where a specific statute or regulation mandates an environmental review that cannot be completed within this timeframe; or where other exceptional circumstances warrant a discrete waiver.

## **Appendix A – Application Updates**

*Appendix A contains detailed information on changes between FY 2017 and FY 2018 to the FP&S Grant Program.*

### **New for FY 2018**

- Under the FP&S Activity, clarification has been provided that Risk Assessments can include Wildland and Wildland Urban Interface Risk Assessments.

## **Appendix B – Programmatic Information and Priorities**

*Appendix B contains more detailed information on FP&S Grant Program Information and Priorities. Reviewing this information may help applicants make their application(s) more competitive.*

### **I. Application Instructions/Tips**

#### **IMPORTANT**

Once the application has been submitted, it cannot be changed. There is *no appeal process* for inaccurate or incomplete information retained by the system due to improper or multiple browser usage by the applicant.

#### **NO APPLICATION WILL BE RELEASED BACK TO THE APPLICANT AFTER FINAL SUBMISSION**

The applicant with the point of contact role listed in the application will automatically be notified via email from the eGrants award management system, once the application is received.

#### **Application Notes**

- For the most competitive application, select those local need(s) that most closely align with the highest FP&S Grant Program priority(ies).
- When filling out the online application, applicants are required to provide basic demographic information regarding their department and the community served and must provide detailed information regarding the items or activities for which they are seeking funding.
- If awarded, the application request(s) may be modified during the award review process; if the awarded activities, Scope of Work, or amount(s) do not match the application as submitted, the grant recipient shall only be responsible for completing the activities actually funded. The grant recipient is under no obligation to start, modify, or complete any activities requested, but not funded by this award. Please review Award Package.

### **II. Funding Priorities**

#### **A. Activity Eligibility Overview**

The following two activities are eligible under the FP&S Grant Program:

- Fire Prevention & Safety (FP&S) Activity
- Research & Development (R&D) Activity

#### **B. Category Eligibility Overview**

The following tables list the eligible categories under each activity:

Eligible Project Categories for FP&S Activity	
<ul style="list-style-type: none"> <li>• Community Risk Reduction</li> <li>• Fire &amp; Arson Investigation</li> </ul>	<ul style="list-style-type: none"> <li>• Code Enforcement/Awareness</li> <li>• National/State/Regional Programs and Studies</li> </ul>

Eligible Project Categories for R&D Activity	
<ul style="list-style-type: none"> <li>• Clinical Studies</li> <li>• Technology and Product Development</li> </ul>	<ul style="list-style-type: none"> <li>• Database System Development</li> <li>• Dissemination and Implementation Research</li> <li>• Preliminary Studies</li> <li>• Early Career Investigator</li> </ul>

### C. FP&S Activity Priorities

FEMA desires to provide flexibility to applicants to design innovative strategies and/or unique proposals that reach for a higher level of safety for the public with respect to fire and fire-related hazards. All proposals, as part of the vulnerability statement, will be evaluated on how well the applicant demonstrates the understanding of their actual community fire and safety risks. A community risk assessment should be used to document the “risk” as a basis for mitigation. If the applicant has evidence of a community risk, the application should be based on solving the problem that will reduce the risk. A risk analysis should be the foundation of the application. Risk assessments are eligible for funding; however, if selected as activity project, no other projects may be eligible for funding under the FP&S Activity in the 2018 FP&S Grant Application year.

FEMA encourages applicants designing fire prevention initiatives to utilize the “Fire is Everyone’s Fight™” campaign from the United States Fire Administration (USFA). This program uses a wide range of resources to communicate the importance of taking action to protect ourselves and the people we love from the dangers of fire. “Fire is Everyone’s Fight™” is designed to unite the fire service and many others in a collaborative effort to reduce home fire injuries, deaths, and property loss. It invites fire departments, safety advocates, community groups, schools, and others to rally behind a common and compelling theme. USFA and its partners will communicate and reinforce key lessons across many proven fire safety and prevention initiatives and programs. This initiative can be found at <https://www.usfa.fema.gov/prevention/outreach/fief/>

#### 1. Comprehensive Fire and Life Safety Education Program

A comprehensive education program goes beyond awareness of risk factors. It is based on a plan that contains elements designed to result in knowledge gain, application of knowledge, and, ultimately, behavior change based upon understanding and acceptance of new knowledge and skills. The 5-step planning process, as developed by the United States Fire Administration, is used for the design, implementation, and evaluation of comprehensive education programs. Important steps in the process include risk analysis, community partners, intervention strategy, implementation, and evaluation. An intervention strategy that incorporates multiple E’s (Education, Engineering, and Enforcement) has the best chance of making a measurable difference.

Note: More information on the 5-step planning process can be found at [www.usfa.fema.gov](http://www.usfa.fema.gov) in their document titled “Public Fire Education Planning, a Five-Step Process” <https://www.usfa.fema.gov/downloads/pdf/publications/fa-219.pdf>.

## EXAMPLE

People learn best when information is presented simply, repeated often, sustained over a period of time, and practiced. This is especially true when educating children about fire and life safety. A comprehensive education program using a fire safety trailer might look like this:

- **Risk Analysis:** The fire department uses local incident data to identify and prioritize the types of fires occurring in the community. The program planning team ensures appropriate educational messages are included to address the fire problems that are causing these incidents. They focus attention and resources in specific areas or neighborhoods where fire calls are most frequent.
- **Community Partners:** The fire department reaches out to schools in the neighborhoods at highest risk of fire to schedule a safety trailer visit. They partner with classroom teachers, who work with the students ahead of time to prepare for the visit. The teacher introduces key fire safety concepts, along with vocabulary words the firefighters will use during the visit.
- **Intervention Strategy:** The safety trailer is used as a hands-on tool for students to learn and practice what they know about fire safety. Lessons are tailored to the age and ability of the students. For example, the smoke feature is not used for a classroom of preschoolers, as this would frighten some of the children.
- **Implementation:** The trailer visit is implemented as part of a three-part implementation strategy - before, during, and after. BEFORE the visit, teachers prepare students about what they will learn and do when the trailer visits their school. DURING the visit, firefighters explain key safety messages in simple terms and give students a chance to practice what to do. AFTER the visit, teachers talk with students about what they learned, and encourage them to test their smoke alarms and practice a home fire drill with their families. The teachers help identify families that do not have smoke alarms. When possible, the fire department follows up with these families to install smoke alarms in these homes and educate the parents and caregivers about fire safety. Use of multiple Es might be appropriate lessons (Education) combined with free smoke alarm installation (Engineering) according to code requirements (Enforcement).
- **Evaluation:** With the teacher’s help, the fire department conducts a follow up session with the students in class to review lessons learned and gauge sustained knowledge. Additionally, with assistance from the school, the fire department may send home a parent survey to determine how many homes installed smoke alarms, tested smoke alarms, and practiced a family fire drill since the visit. The fire department would then compare current local incident data with the data collected during the risk analysis to determine the impact of the program.

## 2. Category Priorities and Eligible Projects

### a. Community Risk Reduction Category

#### Community Risk Reduction Category Priority

According to data available to FEMA and the USFA, working smoke alarms and residential sprinklers greatly reduce the risk of fire casualties for the nation's residents.

Therefore, under this category there are three distinct, but equal, priorities.

1. **Smoke Alarm Installations: Priority** will be given to programs that target a specific high-risk population to conduct both door-to-door smoke alarm installations and provide home safety inspections, as part of a comprehensive home fire safety campaign. The comprehensive home fire safety campaign must also include an educational program that is delivered to the occupant at the time of the installation and inspection.

Further, additional consideration will be given to applicants who incorporate supplies for deaf/hard-of-hearing alarm installations as part of their comprehensive installation and education effort (hardwiring of deaf/hard-of-hearing smoke alarms is eligible).

FEMA, through its FP&S Grants, promotes the use of smoke alarms that are powered by non-removable, non-replaceable batteries that power the smoke alarm for a minimum of 10 years and are enclosed within a tamper-resistant housing.

Applicants who do not plan on using smoke alarms powered by non-removable, non-replaceable batteries that power the smoke alarm for a minimum of 10 years, and are enclosed within a tamper-resistant housing, should address the rationale for using alternatives.

2. **Sprinkler Awareness: Priority** will also be given to programs that include sprinkler awareness that affect the entire community in this effort, such as educating the public about residential sprinklers, promoting residential sprinklers, and demonstrating working models of residential sprinklers. Installation of sprinkler systems is only eligible if proposed as part of a sprinkler demonstration/educational effort.
3. **Risk Assessments: Priority** will also be given to community-appropriate comprehensive risk assessments and risk reduction planning. These assessments and planning should focus on the whole community (versus individual home risk reduction/mitigation). This can include [Wildland or Wildland Urban Interface risk assessments](#).

**NOTE:** *Applications that request a risk assessment are precluded from applying for additional projects.*

**Examples of Other Community Risk Reduction Eligible Projects (NOTE: these projects will not receive a priority rating per the evaluation criteria)**

**Smoke Alarms:** Applicants who are unable to meet the above stated funding priority (door-to-door installations and home safety inspections) for this category are still eligible to apply for smoke alarms, but will not receive a priority rating. This includes projects that encompass educational components that teach how smoke alarms work to provide early warning in case of a fire, while promoting the installation of smoke alarms and/or inspections to assure that previously installed smoke alarms are operational. Applicants who will not perform installation of the alarms should discuss in their Narrative Statement the methodology for ensuring that the alarms will be properly installed. FP&S Grants promote the use of smoke alarms that are powered by non-removable, non-replaceable batteries that power the smoke alarm for a minimum of 10 years and are enclosed within a tamper-resistant housing. Applicants that do not plan on using these types of alarms should address the rationale for using alternatives.

**Public Education:** National or local projects that promote the reduction of injury due to fire or other safety hazards are eligible under this activity. Projects may include burn prevention, media/public relations campaigns, injury prevention, or other community risk reductions that could be justified in the Narrative Statement. Educational props (educational tools), including fire extinguisher trainers, must be part of a comprehensive and detailed public safety education campaign. Eligible items include escape planning, model homes, safety trailers, or curriculum delivery tools. Projects that will deliver training to the public in the area of automatic external defibrillators (AEDs), Cardio-Pulmonary Resuscitation (CPR), or age-appropriate fire extinguisher training will be considered. However, if the projects are for fire department operational staff, these projects should be requested under the Assistance to Firefighters Grant Program.

**Training:** Local or regional projects to educate or train personnel in the area of public education are eligible under this activity.

**Juvenile Firesetter Projects:** Projects that are designed to mitigate the instances of fire set by children are eligible under this activity. Projects may have treatment and intervention components. The intervention components should be age appropriate.

**General Prevention/Awareness:** Projects that include general prevention initiatives, including studies, lock-box installation, Carbon-Monoxide (CO) detectors, address markers, cooking range technologies, etc., will be eligible under this activity.

**Wildland Fire Prevention Programs:** Education and awareness programs that protect lives, property, and natural resources from fire in wildland/urban interface, including Community Wildfire Protection Plans (CWPP) or programs supporting fire adapted community initiatives, should be applied for under this activity. Fuel reduction demonstrations, in a targeted location as part of an awareness and education effort, are considered.

**Examples of Other Community Risk Reduction Eligible Projects (NOTE: these projects will not receive a priority rating per the evaluation criteria)**

	Prescribed burns and fuel reduction equipment, and other equipment or contracting services for vegetation removal, to include community chipper programs are not eligible.
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**b. Code Enforcement/Awareness Category**

**Code Enforcement/Awareness Category Priority**

**Priority** is given to projects that focus on first time or reinstatement of code adoption and code enforcement, including Wildland Urban Interface (WUI) fire codes for communities with a WUI-wildfire risk. See the [U.S. Fire Administration Wildland Urban Interface toolkit](#) for additional information on WUI codes.

**Examples of Other Code Enforcement/Awareness Eligible Projects (NOTE: these projects will not receive a priority rating per the evaluation criteria)**

Assistance for the adoption or awareness of building codes	Promotion of code enforcement to improve engineering and/or enacting fire-related ordinances for new construction
Support for conducting inspections (including personnel costs, equipment, code books, and/or training assistance)	

**c. Fire & Arson Investigation Category**

**Fire & Arson Investigation Category Priority**

**Priority** will be given to projects that aim aggressively to investigate every fire.

**Examples of Other Fire & Arson Investigation Eligible Projects (NOTE: these projects will not receive a priority rating per the evaluation criteria)**

Arson investigation trailers	Equipment
Arson investigator training	Arson-related surveillance equipment
Arson prevention training	Personnel costs

**Examples of Other Fire & Arson Investigation Eligible Projects (NOTE: these projects will not receive a priority rating per the evaluation criteria)**

Educational materials	Media equipment
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**d. National/State/Regional Programs and Studies Category**

**National/State/Regional Programs and Studies**

**Priority** is given to projects that focus on residential fire issues and/or firefighter safety and wellness by dissemination and implementation of programs, policies, or products from previous studies that used rigorous scientific methods to determine effectiveness or develop new projects that do not include a research component. Firefighter safety and wellness projects should aim to measurably change firefighter behavior and decision-making.

Research to determine effectiveness of programs, policies, or products should be applied for under the Research and Development Activity.

Applicants proposing to interface with government databases must explain how the systems will interface or data exchange will occur. The narrative must also explain how this effort will not duplicate existing databases or previously funded efforts.

Fire departments that wish to carry out internal, local, firefighter safety and wellness projects should apply for this activity under the Assistance to Firefighters Grant Program.

**3. Ineligible Projects and Items**

The following table describes the projects and items that are **ineligible** under the FP&S Activity:

**Ineligible Projects and Items for FP&S Activity**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Educational props (i.e., tools that are used in educational or awareness demonstrations) that are not a part of a comprehensive educational program, a planned educational effort, or lack description of these elements</li> <li>• Costumes and/or puppets that are not part of a comprehensive educational program.</li> <li>• AED, CPR, or fire extinguisher training for operational staff</li> <li>• Fire hydrants/dry hydrants, supplies, labor, and installation costs</li> <li>• Wildland fire fuel reduction projects that are prescribed burns or fuel reduction equipment</li> <li>• Weather/disaster notification devices (e.g., sirens)</li> </ul> | <ul style="list-style-type: none"> <li>• Fire suppression equipment, supplies, and vehicles</li> <li>• Fire extinguishers</li> <li>• Firefighting training tools or equipment, personal protective gear, fitness equipment, or immunizations</li> <li>• Installation of sprinkler systems that do not include an educational/demonstration component</li> <li>• Suppression-related training including Firefighter I, Firefighter II, wildland firefighting, training exercises, or drills for suppression or disasters activities</li> <li>• Communication equipment, including portable radios or computer-aided dispatch (CAD) systems</li> </ul> |
|--|--|

Ineligible Projects and Items for FP&S Activity	
<ul style="list-style-type: none"> <li>• Driver simulator training tools that are not part of a state or national education effort that leads to driver certifications compliant to NFPA 1002 or its equivalent</li> <li>• Sprinkler head caps</li> <li>• Development of Administrative Documents (e.g., SOPs, manuals)</li> <li>• Live animals</li> <li>• Firearms</li> <li>• Equipment that is considered entertainment as opposed to educational tools that are part of a comprehensive program</li> <li>• Fire extinguisher training for children under 14 years old and adults over the age of 65</li> <li>• Fire extinguisher training that is not part of a comprehensive prevention/education program</li> <li>• Vehicles (not including tow vehicles, which are limited to \$6,000 per application)</li> </ul>	<ul style="list-style-type: none"> <li>• Community projects that include the use of tot finder/child finder, seniors, or pet finder decals</li> <li>• Hydrant poles or markers</li> <li>• Fire-retardant house gel(s)</li> <li>• Fire safety equipment (e.g., smoke alarms, carbon monoxide detectors, surge protectors) that does not adhere to a fire service recognized standard (e.g., non-UL, listed, ANSI fire safety equipment)</li> <li>• Alarm system and alarm system installation</li> <li>• Equipment that has no intrinsic fire prevention or life safety education application</li> <li>• Command Center Packages on fire safety trailers</li> <li>• Prescribed burns</li> <li>• Fuel reduction equipment</li> <li>• Vegetation removal equipment</li> <li>• Contract services for fuel reduction or vegetation removal</li> </ul>

#### 4. Micro Grants

Micro grants are eligible for projects under the FP&S Activity and are designed to assist applicants with a limited need and provide additional awards through this funding opportunity. Micro Grants are a voluntary funding limitation choice (within the application) for any FP&S activity project. Micro Grant awards have a federal share *not exceeding* \$25,000. Micro Grant recipients still have a 5-percent cost match. Projects will only be eligible for Micro Grants if they meet the priority for the categories listed above.

#### D. Research and Development (R&D) Activity Priorities

The goal of the R&D Activity is to reduce firefighter line-of-duty fatalities and injuries through research to improve firefighter safety, health, or wellness.

In November 2015, the National Fallen Firefighters' Foundation (NFFF) hosted the third National Fire Service Research Agenda Symposium (RAS) to update the agenda with current priorities. A copy of the research agenda is available on the NFFF Website at <http://www.everyonegoeshome.com/resources/research-symposium-reports/>.

Projects that meet the intent of this research agenda with respect to firefighter health and safety, as identified by the NFFF working group, will be given consideration. However, the applicant is

not limited to these specific projects. All proposed projects, regardless of whether they have been identified by this working group, will be evaluated.

### **1. R&D Activity Project Eligibility Information**

Applicants are strongly encouraged to seek partnerships with the fire service that will support the ongoing project efforts from design through dissemination and implementation. It would be appropriate for most applications to include one or more local or regional fire departments and one or more national level fire-related organizations.

Since the R&D Activity aims to improve the safety, health, or wellness of firefighters, having strong partnerships with the fire service is essential to the likely relevance and effectiveness of the project. Letters of commitment to actively participate in the project from the fire service are encouraged and may be inserted in the Appendix Section of the application for funding.

Cost effectiveness analysis is encouraged, in clinical, technology and product development, and dissemination and implementation research projects. The World Health Organization's [Guide to Cost-Effectiveness Analysis](#) provides information on how to evaluate and utilize cost-effectiveness analysis.

Ultimately, the use of cost effectiveness results will be based on the overall study being successful and finding that firefighter safety, health, or wellness was improved by the program, policy, or product.

All proposed R&D Activities must address the potential for improvement in firefighter safety, health, or wellness both in the short term and long term.

Proposed projects must address the potential for a successful research outcome to be implemented in the fire service and reduce firefighter fatalities or injuries.

The following are descriptions of six R&D Activity categories. These categories are not listed in order of importance. This is not intended to be an all-inclusive list of projects that will be considered. Applicants may also find the list of previously funded R&D projects on the AFG Website at: <https://www.fema.gov/firegrants>.

#### **a. Clinical Studies Category**

Clinical Studies
The clinical studies R&D category include projects that address behavioral, social science, and cultural research as well as physiological and medical research activities.
Such studies must address the relevant aspects of reducing fatal and non-fatal injuries among firefighters and, where possible, have rigorous design that permits attribution of results to the intervention.
In addition to being relevant and rigorous, each study should target the appropriate level of investigation, based on the state of the science.

## Clinical Studies

At the most basic level, the study might be foundational, investigating the underlying risk and protective factors associated with certain injury outcomes.

These may include the following:

- Individual level characteristics
- Departmental/organizational policies
- Firefighters behavioral practices and norms
- Environmental factors

Where evidence exists to progress to more applied research, the study should emphasize intervention development and testing for effectiveness, including in the field setting. For instance, if certain tests in clinical care settings are known to identify those at risk for cardiovascular events, then the study may focus on modification of, if necessary, and implementation of such tests in fire service settings. To ensure study rigor, the study's design would use a randomized control trial, with comparison to usual care. Inclusion of a cost-effectiveness analysis is strongly encouraged.

Where the effectiveness of an intervention has been established in the field setting, the final level of study aims to facilitate adoption of the research results in the fire service by conducting dissemination and implementation research. Such study may investigate the impact of strategies for widespread implementation with fidelity (see Dissemination and Implementation Research R&D category).

## b. Technology and Product Development

### Technology and Product Development

The technology and product development category includes projects that result in outcomes that can enhance safety of firefighter activities. Firefighter safety can be improved through greater understanding of fire phenomena inside and outside structures, and the development of products to enhance firefighter situational awareness and effectiveness. Projects can develop new technology or adapt existing products and technology to new uses.

Projects shall address the safety of firefighters for all types of fire incidents including residential, commercial, industrial, and wildland fires. Technology and product development projects can address fire and firefighting hazards by making use of technology transfer opportunities in which existing technologies can be adapted to enhance firefighter safety.

As the intention of the R&D Activity is to deliver outcomes that are likely to be implemented nationally by the fire service, inclusion of a cost-effectiveness analysis is encouraged.

Technology and product development projects need to assess the ultimate practicality of deployment and use of the results by firefighters during actual firefighting operations. In making a selection of local fire department and/or national fire service organization partners,

### Technology and Product Development

consideration should be given to the capabilities of the partners to assist in the evaluation of the project outcomes.

#### c. Database System Development

##### Database System Development

Database systems are used for the systematic collection of information that aims to determine the predictors and correlates for incidents pertaining to fatal and non-fatal injuries. The focus of the data collection may include but is not limited to:

- Firefighter demographic and health factors (e.g., age, blood pressure)
- Firefighter employment factors (e.g., shift, volunteer, training)
- Firefighter safety behaviors (e.g., seat belt use, hydration)
- Firefighting equipment
- Personal protective equipment (PPE)
- Departmental/organizational safety policies and practices
- Cultural or social norms regarding injury prevention practices
- Community-based resources (e.g., hospitals, communication systems)
- Environmental factors such as local building structures, types of building materials

Applications may, for instance, focus on the design and feasibility of a new database system, expand variables and/or data collection methods, seek to build upon an existing database system, or move from a local level database system to a broader state or regional level system.

Applicants proposing to interface with government databases must explain how the systems will interface or data exchange will occur. The narrative must also explain how this effort will not duplicate existing databases or previously funded efforts.

#### d. Dissemination and Implementation Research

##### Dissemination and Implementation Research

Applications may propose dissemination and implementation research projects including the ways new programs, policies, or products, with credible evidence of effectiveness, are moved to nationwide adoption and use. Credible evidence of effectiveness is defined as positive results from systematic and rigorous study, and the absence of negative results or side effects.

For instance, this category may be used to apply to conduct a study for the dissemination and implementation of a result from a prior firefighter safety, health, or wellness R&D Activity, provided the project resulted in success as represented by publication in a peer review journal or other expert review of findings deemed appropriate by the grantor.

## **e. Preliminary Studies**

### **Preliminary Studies**

Project ideas may require information, evidence, experimentation, and study in order to justify a larger and complete project that can impact firefighter safety, health, or wellness. Preliminary studies of one-year duration may be proposed to obtain a sufficient amount of evidence to justify a future larger study. Preliminary studies, while more narrow in scope, must have the same high levels of scientific rigor and relevance to the fire service as studies in other R&D categories. The successful completion of a preliminary study does not result in special priority for the larger follow-on proposal submitted in a subsequent application period. The level of funding requested should be appropriate to the limited goal and purpose of the preliminary effort.

## **f. Early Career Investigator**

### **Early Career Investigator**

This project category is intended to promote the development of principal investigators engaged in research to improving firefighter safety, health and wellness. This category is reserved for projects led by a principal investigator who received a PhD or equivalent advanced level research degree within five years of the opening date of the application period. Projects that are affiliated with larger ongoing fire service research efforts may be proposed. The applicant must be the sponsoring institution, as individuals are not eligible to receive an award under this program. All proposed projects must also have a fire service partner. As noted earlier, these projects are limited to a maximum \$75,000 federal share per project year.

## **2. Special Emphasis Topics**

The following topics will receive additional consideration during the review process:

### **Special Emphasis Topic #1. Behavioral Health**

To address firefighters' concerns with post-traumatic stress, depression, suicide, and related issues, and because resiliency intervention studies have demonstrated effectiveness with firefighters and other first responders, the AFG Program Office encourages proposals for behavioral health projects that use a dissemination and implementation research approach so that evidence-based resiliency programs will be more readily adopted, implemented with fidelity, and sustained.

### **Special Emphasis Topic #2. Situational Awareness**

Firefighting is hazardous work. Knowledge of the potential hazards present in the operational environment is critical to making decisions that minimize the risk of injury and life loss. Information that contributes to situational awareness involves information that is gathered at the incident, but can be supplemented by information data collected in advance as part of pre-planning. Situational awareness also involves knowledge of physiological stressors that can be hazardous to firefighters. The AFG Program Office encourages project proposals for the development of tools and methods facilitating the collection and use of information to improve

situational awareness for all types of incidents involving fire service response.

### **Special Emphasis Topic #3. Wildland and WUI**

In recent years, there has been an increase in the frequency of large, uncontrollable wildland fires including those that impact communities in the wildland-urban interface (WUI). The physical demands and fire environment, as well as the tactics and equipment associated with wildland fire fighting differ from structural firefighting. Research directed at mitigating the safety and health hazards associated with wildland fire fighting is needed. Firefighter safety, health and wellness research issues range from vehicle crashes to respiratory challenges, from personal protective equipment (PPE) to physical fitness. The FP&S program encourages research proposals to improve wildland firefighter safety, health and wellness through applicable technology and product development; behavioral, clinical, and social research; and dissemination and implementation research.

### **3. Ineligible Projects and Items**

The following tables describe projects and items that are ineligible under R&D.

<b>Ineligible Projects and Items for R&amp;D Activity</b>	
<ul style="list-style-type: none"><li>• Projects that focus primarily on curriculum development and delivery of education or training materials</li><li>• A descriptive study about the fire service or any study without reduced firefighter injury or enhanced firefighter safety aims</li><li>• Projects with local emphasis and little or no indication of application to the broader fire service</li></ul>	<ul style="list-style-type: none"><li>• Projects that emphasize funding for service delivery</li><li>• Applications that include violations of intellectual property</li></ul>

## **Appendix C – Award Administration Information**

*Appendix C contains more detailed information on FP&S Award Administration. Reviewing this information may help grant recipients in the programmatic and financial administration of their award(s).*

### **Help FEMA Prevent Fraud, Waste, and Abuse**

If applicants or recipients have information about instances of fraud, waste, abuse, or mismanagement involving FEMA programs or operations, they should contact the DHS OIG Hotline at (800) 323-8603, by fax at (202) 254-4297, or email [DHSOIGHOTLINE@dhs.gov](mailto:DHSOIGHOTLINE@dhs.gov).

### **I. Economic Hardship Waivers of Cost Share and Maintenance of Effort Requirements for the Fire Prevention & Safety (FP&S) Grant Program under the AFG program**

In cases of demonstrated economic hardship, and upon the request of the recipient, the Administrator may waive or reduce an AFG cost share or maintenance of effort requirement for certain recipients. (15 U.S.C. § 2229(k)(4)(A)). As required by statute, the Administrator of FEMA is required to establish guidelines for determining what constitutes economic hardship. FEMA has issued [Information Bulletin No. 427, Economic Hardship Waivers: AFG Grant Program, FP&S Grant Program, and SAFER Grant Program](#). FP&S applicants for FY 2018 must indicate at the time of application whether they are requesting a waiver and whether the waiver is for the cost share requirement, for the maintenance of effort requirement, or both.

### **II. Grant Writer/Preparation Fees**

Fees for grant writers may be included as a pre-award expenditure. Grant writer fees that are contingent on a successful application are not an eligible expense. For grant writer fees to be eligible as a pre-award expenditure, the fees must be specifically identified and listed in the Request Details section of the application. FP&S only will consider reimbursements for application preparation, not administration, up to but not more than \$1,500. As permitted under 2 C.F.R. Part 180, grant recipients may not use federal grant funds to reimburse any entity, including a grant writer or preparer, if that entity is a suspended or debarred party, and the suspension or debarment occurred prior to the time in which the grant recipient contracted with the contractor. Grant recipients must verify that the contractor is not suspended or debarred from participating in specified federal procurement or non-procurement transactions as permitted under 2 C.F.R. § 180.300.

**By submitting the application, applicants are certifying all of the information contained therein is true and an accurate reflection of the organization, and that regardless of the applicant's intent, the submission of information that is false or misleading may result in actions by FEMA. These actions include but are not limited to the submitted application not being considered for award, temporary withholding of funding under the existing award pending investigation, or referral to the DHS**

## **Office of the Inspector General (OIG).**

Prior to submission of the application, please review all work produced by grant writers or other third parties for accuracy. In addition, in order to charge grant writer fees to the grant award, the fees must have been paid no later than 30 days after the end of the application period. The following documentation shall be provided to FEMA upon request:

- i. A copy of the grant writer's contract for services
- ii. A copy of the invoice or purchase order
- iii. A copy of the cancelled check (front and back)

Failure to provide the requested documentation may result in the grant writer fee being deemed ineligible and the grant reduced accordingly.

**NOTE:** FEMA requires that all grant writer or preparer information must be entered into the "Overview" section of the FP&S application, whether that person, entity, or agent is compensated or not.

### **III. Maintenance and Sustainment for FP&S Grant Program**

The use of FEMA preparedness grant funds for the costs of repairs or replacement, as well as maintenance contracts, warranties, and user fees may be allowable.

The intent of eligible Maintenance and Sustainment activities is to provide direct support to the critical capabilities developed using FEMA and other DHS grants and support activities. Routine upkeep and the supplies, expendables, or one-time use items that support routine upkeep (e.g., gasoline, tire replacement, routine oil changes, monthly inspections, or grounds and facility maintenance) are the responsibility of the recipient and may not be funded with FP&S funding.

Generally, when purchasing a maintenance agreement, service contract, or extended warranty for systems or equipment, the period of coverage provided under such a plan may not extend beyond the period of performance of the grant with which the agreement, warranty, or contract is purchased.

The duration of an extended warranty purchased incidental to the original purchase of the equipment may exceed the period of performance as long as the coverage purchased is consistent with that which is typically provided for, or available through, these types of agreements, warranties, or contracts. When purchasing a stand-alone warranty, or extending an existing maintenance contract on an already-owned piece of equipment or system, coverage purchased may not exceed the period of performance of the award used to purchase the maintenance agreement or warranty. As with warranties and maintenance agreements, this policy extends to licenses and user fees as well.

Even if purchased incidental to the original purchase of the equipment, the duration of an extended maintenance agreement or warranty must also be reasonable for the type of equipment or system being purchased. For example, if a vendor offers a 10-year extended warranty incidental to the purchase of a piece of equipment, but the useful life of that

equipment being purchased is five years, the purchase of a 10-year extended warranty would not be a reasonable cost and may not be charged to the grant.

#### **IV. Taxes, Fees, Levies, and Assessments**

Taxes, fees, levies, or assessments that the recipient is legally required to pay and is directly related to an eligible FP&S Grant program acquisition activity may be charged to an FP&S award as permitted under 2 C.F.R. § 200.470. These charges shall be identified and enumerated in the FP&S application's Narrative and the Request Details section of the acquisition activity.

Any avoidable and unreasonable costs that result from the action or inaction of a recipient (or recipient's agent), or that prevent that recipient from enjoying any lawful exemption, waiver, or reduction of any tax, fee, levy, or assessment directly related to any eligible FP&S Grant Program acquisition activity, are not chargeable to any FP&S award.

**Example:** Governmental entities and Public Safety Agencies are exempt from some Federal Communications Commission (FCC) fees, but only if the eligible organization submits an exemption or waiver request to the FCC.

Government entities are not required to pay FCC regulatory fees. Non-profit entities (exempt under Section 501 of the Internal Revenue Code) also may be exempt. The FCC requires that any entity claiming exempt status submit, or have on file with the FCC, a valid IRS Determination Letter documenting its nonprofit status or certification from a governmental authority attesting to its exempt status. For more information, please visit <http://www.fcc.gov/>.

#### **V. Subscription, Access, Membership, or User Fees**

No subscription, access, membership, termination of services, or user fees, are chargeable to any FP&S Award.

#### **VI. Vehicle Costs**

Tow vehicles may be eligible as a transportation expense if adequately justified in the proposal. Tow vehicle costs are limited to \$6,000 per application.

Otherwise, vehicles are not eligible for funding.

#### **VII. Excess Funds**

After completing the initial projects proposed in the recipient's application, some recipients may have unexpended funds remaining in their budget. These excess funds may result from any combination of under-budget acquisition activities or competitive procurement processes.

These cost shared excess funds may be utilized to enhance or continue the approved project(s). FEMA expects excess funds to be obligated concurrent with an award's period of performance to address a known or critical need related to the awarded project(s). Approval of excess funds does not justify an extension to the period of performance.

## **VIII. Procurement Integrity**

Through audits conducted by DHS Office of Inspector General (OIG) and FEMA grant monitoring, findings have shown that some FEMA recipients have not fully adhered to the proper procurement requirements when spending grant funds. Anything less than full compliance with federal procurement policies jeopardizes the integrity of the grant as well as the grant program. Noncompliance with the federal procurement rules may result in FEMA imposing specific conditions as described in 2 C.F.R. § 200.207 or other remedies for noncompliance under 2 C.F.R. § 200.338.

The below highlights the federal procurement requirements for FEMA recipients when procuring goods and services with federal grant funds. DHS will include a review of recipients' procurement practices as part of the normal monitoring activities. **All procurement activity must be conducted in accordance with federal procurement standards at 2 C.F.R. §§ 200.317 – 200.326.** Select requirements under these standards are listed below. The recipient must comply with all requirements, even if they are not listed below.

Under 2 C.F.R. § 200.317, when procuring property and services under a federal award, states must follow the same policies and procedures they use for procurements from their non-federal funds; additionally, states must follow 2 C.F.R. § 200.322 regarding procurement of recovered materials, and 2 C.F.R. § 200.326 regarding required contract provisions.

**All other non-federal entities, such as tribes,** must use their own documented procurement procedures which reflect applicable state, local, territorial and tribal laws and regulations, provided that the procurements conform to applicable federal law and the standards identified in 2 C.F.R. Part 200. These standards include, but are not limited to, providing for full and open competition consistent with the standards of 2 C.F.R. § 200.319.

### **Competition and Conflicts of Interest**

Among the requirements of 2 C.F.R. § 200.319(a) applicable to all non-federal entities other than states, in order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. **FEMA considers this an organizational conflict of interest and interprets this restriction as applying to contractors that help a recipient develop its grant application, project plans, or project budget. This prohibition also applies to the use of former employees to manage the grant or carry out a contract when such former employees worked on such activities while they were employees of the non-federal entity.**

Under this prohibition, unless the non-federal entity solicits for and awards a contract covering both development and execution of specifications (or similar elements as described above), and this contract was procured in compliance with 2 C.F.R. §§ 200.317 – 200.326, federal funds and funds applied to the award's cost share cannot be used to pay a contractor to carry out the work if that contractor also worked on the development of such specifications. This rule applies to all contracts funded with federal grant funds, including pre-award costs, such as grant writer fees, as well as post-award costs, such as grant management fees. For more information on grant writer and grant management costs, see [Appendix C – Award Administration information, Section II. Grant Writer/Preparation Fees.](#)

Additionally, some of the situations considered to be restrictive of competition include, but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business.
- Requiring unnecessary experience and excessive bonding.
- Noncompetitive pricing practices between firms or between affiliated companies.
- Noncompetitive contracts to consultants that are on retainer contracts.
- Organizational conflicts of interest.
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement.
- Any arbitrary action in the procurement process.

Pursuant to 2 C.F.R. § 200.319(b), non-federal entities other than states must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, territorial or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Pursuant to 2 C.F.R. § 200.318(c)(1), non-federal entities other than states are required to maintain written standards of conduct covering conflicts of interest and governing the actions of their employees engaged in the selection, award, and administration of contracts. **No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest.** Such conflicts of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the non-federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct

must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-federal entity.

If the recipient or subrecipient (other than states) has a parent, affiliate, or subsidiary organization that is not a state, local government, territory, or Indian tribe, the non-federal entity must also maintain written standards of conduct covering organizational conflicts of interest. In this context, organizational conflict of interest means that because of a relationship with a parent company, affiliate, or subsidiary organization, the non-federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. The non-federal entity must disclose in writing any potential conflicts of interest to FEMA or the pass-through entity in accordance with applicable FEMA policy.

### **Supply Schedules**

Generally, a non-federal entity may seek to procure goods or services from a federal supply schedule, state supply schedule, or group purchasing agreement. State and local governments may procure goods and services from a General Services Administration (GSA) schedule. Information about GSA programs for state and local governments can be found at <https://www.gsa.gov/resources-for/programs-for-state-and-local-governments>. For local governments that purchase off a GSA schedule, this will satisfy the federal requirements for full and open competition provided that the recipient follows the GSA ordering procedures; however, local governments will still need to follow the other rules under 2 C.F.R. §§ 200.317 – 200.326, such as contract cost and price (§ 200.323) and solicitation of minority, women-owned, or small businesses (§ 200.321).

For non-federal entities other than states, such as tribes, that want to procure goods or services from a state supply schedule, cooperative purchasing program, or other similar program, in order for such procurements to be permissible, the following must be true:

- The procurement of the original contract or purchasing schedule and its use by the recipient complies with state and local law, regulations, and written procurement procedures.
- The state or other entity that originally procured the original contract or purchasing schedule entered into the contract or schedule with the express purpose of making it available to the recipient and other similar types of entities.
- The contract or purchasing schedule specifically allows for such use, and the work to be performed for the non-federal entity falls within the scope of work under the contract as to type, amount, and geography.
- The procurement of the original contract or purchasing schedule complied with all of the procurement standards applicable to a non-federal entities other than states under at 2 C.F.R. §§ 200.317 – 200.326.
- With respect to the use of a purchasing schedule, the recipient must follow ordering procedures that adhere to state and local laws and regulations and the minimum requirements of full and open competition under 2 C.F.R. Part 200.

If a non-federal entity other than a state seeks to use such a state supply schedule, cooperative purchasing program, or other similar type of arrangement, it is recommended

that recipients discuss their procurement plans with the FEMA Grant Programs Directorate.

### **Documentation**

Non-federal entities are required to maintain and retain the following:

- Backup documentation, such as bids and quotes.
- Cost/price analyses on file for review by federal personnel, if applicable.
- Other documents required by federal regulations applicable at the time a grant is awarded to a recipient.

FEMA requires that non-federal entities maintain the following documentation for federally funded purchases:

- Specifications
- Solicitations
- Competitive quotes or proposals
- Basis for selection decisions
- Purchase orders
- Contracts
- Invoices
- Canceled checks

Non-federal entities should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of purchasing documentation along with copies of cancelled checks for verification.

Non-federal entities who fail to fully document all purchases will find their expenditures questioned and subsequently disallowed.

*Pursuant to 2 C.F.R. § 200.313(a)(2), recipients may not encumber equipment procured with FP&S funding.*

## **IX. Payments and Amendments**

### **Payments**

FP&S Payment/Drawdown Requests are generated using the eGrants system.

FP&S Payment/Drawdown Requests from the recipient will be governed by applicable federal regulations, including at 2 C.F.R. § 200.305.

Recipients should not expend funds or request drawdowns until all special conditions listed on the grant award document have been met and request for payment in the eGrants system has been approved.

Recipients should draw down funds based upon immediate disbursement requirements; however, FEMA strongly encourages recipients to draw down funds as close to disbursement or expenditure as possible to avoid accruing interest.

When submitting payment requests, the grant recipient must identify the budget line item with which the reimbursements are associated. This detail should be entered in the Reason for Request section.

### **Advances**

Recipients shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the recipient, and financial management systems that meet the standards for fund control and accountability as established in 2 C.F.R. Part 200.

Although advance drawdown requests are permissible, recipients remain subject to applicable federal law in effect at the time a grant is awarded to the recipient. Governing interest requirements include the Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. Part 200 and the Cash Management Improvement Act (CMIA) and its implementing regulations at 31 C.F.R. Part 205. Interest under CMIA will accrue from the time federal funds are credited to a recipient's account until the time the recipient pays out the funds for program purposes.

Recipients must follow applicable federal regulations governing interest earned on payment advances in effect at the time a grant is awarded to the recipient, including 2 C.F.R. § 200.305.

### **Reimbursement**

Reimbursement of the recipient is the preferred method of payment under the grant award when the requirements to be paid in advance, per 2 C.F.R. § 200.305, cannot be met. In accordance with U.S. Department of Treasury regulations at 31 C.F.R. Part 205, if applicable, the recipient shall maintain procedures to minimize the time elapsing between the transfer of funds and the disbursement of said funds.

### **Program Income, Rebates, and Other Revenue**

Recipients shall disburse program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments, in accordance with applicable federal regulations at 2 C.F.R. Part 200.

The reduction of federal financial participation via rebates/refunds *may* generate excess funds for the recipient, if the recipient had already obligated its cost share match based upon the original award figures.

If the recipient had *already* obligated its original cost share *prior* to the rebate, then the recipient *may* have minimum excess funds equal to the difference between the original cost share less the rebate adjusted cost share.

### **Payment Requests During Closeout**

For 90 days after the expiration of the period of performance, during an award's closeout reconciliation, a recipient may only submit reimbursement payment requests.

Reimbursement payment requests shall only be for obligations that were obligated within the active period of performance of the award. The recipient's request should contain clear and specific information certifying that the liquidation of federal funds is reimbursement for an obligation properly incurred during the active period of performance; FEMA may request documentation supporting the reimbursement for review.

### **Amendments**

FP&S Award amendments may be approved, on a case-by-case basis, for the following reasons:

- Extension of the period of performance in order to complete the scope of work
- Changes to the activity, mission, retroactive approval [pre-award], closeout issues, some excess funds requests
- Cost over/under run (adding funds to award/non-closeout de-obligation of funds)

Amendments will only be considered when submitted via the online eGrants system. These requests must contain specific and compelling justifications for the requested change.

The FEMA Grant Programs Directorate strongly encourages the timely expenditure of grant funds by recipients to be consistent with the goals and objectives outlined in the FP&S Grant Program.

**NOTE:** A recipient may de-obligate (return) unused funds (those remaining funds drawn down via payment request and/or remaining award funding that was never requested) to FEMA prior to the end of an award's Period of Performance. To exercise this option, a recipient must submit a cost over/under run amendment via the eGrants system and state in its amendment that the unliquidated funds (funds to be returned) are not necessary for the fulfillment or success of the grant's obligations or mission. The recipient must also indicate that it understands that the returned funds will be de-obligated and unavailable for any future award expenses.

De-obligation of funds will decrease the federal portion of the grant and the amount of the recipient's cost share obligation. FEMA will confirm de-obligation amendments with all points of contact; after confirmation of the recipient's intent to de-obligate, FEMA will hold the approved de-obligation request for 14 calendar days as a period for recipient reconsideration before processing the de-obligation request.

## **X. Disposition of Grant Funded Equipment**

A recipient must use, manage, and dispose of FP&S-funded equipment in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. § 200.313. With the exception of state governments, when original or replacement equipment acquired under an FP&S award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the recipient must request disposition instructions from FEMA. A state government recipient must dispose of equipment acquired under a federal award in accordance with state laws and procedures. The AFG Program Office strongly recommends contacting a Fire Program Specialist or the AFG Help Desk prior to the disposition of FP&S-

funded equipment, including vehicles.