

U.S. Department of Homeland Security
FEMA Region I 220
Binney Street
Cambridge, MA 02142



FEMA

October 5, 2023

Eric Forand
Director, Vermont Emergency Management
Department of Public Safety
45 State Drive
Waterbury, VT 05671-1300

Re: FY 2023 Financial Monitoring Review

Dear Director Forand:

The purpose of this letter is to report the results of the financial monitoring review conducted by the Federal Emergency Management Agency / Region I Grants Management Division from August 7 through August 11, 2023. As you are aware, our grants management staff reviewed the Vermont Emergency Management’s documentation for the following grants:

Award Number	Program Name and Assistance Listing No.	Award Amount
EMB-2020-BR-003	Building Resilient Infrastructure and Communities - 97.047	\$663,520.33
EMB-2020-EP-00006	Emergency Management Performance Grant - 97.042	\$3,063,060.00
EMB-2021-EP-00006	Emergency Management Performance Grant - 97.042	\$3,061,159.00
EMB-2021-EP-00010	Emergency Management Performance Grant, American Rescue Plan Act - 97.042	\$862,299.00
4356DRVTP00000005	Hazard Mitigation Grant Program - 97.039	\$76,252.74
4445DRVTP00000005	Hazard Mitigation Grant Program - 97.039	\$846,745.12
4022DRVTP00000005	Hazard Mitigation Grant Program - 97.039	\$31,053,516.75
4330DRVTP00000005	Hazard Mitigation Grant Program - 97.039	\$1,273,716.30
4474DRVTP00000005	Hazard Mitigation Grant Program - 97.039	\$1,339,281.07

EMB-2020-PC-0002	Pre-Disaster Mitigation - 97.047	\$546,966.75
4445DRVTP00000001	Public Assistance - 97.036	\$8,757,908.09
4621DRVTP00000001	Public Assistance - 97.036	\$7,017,656.86

FEMA's financial monitoring review provided a detailed review and account of the expenditure of funds for the grants, allowing FEMA an opportunity to provide guidance and recommendations to enhance your efforts in managing federal funding. *Attachment A* contains a summarized list of the one finding and two observations, along with their associated recommended corrective actions.

Oversight and management of federal grant resources is critical. It is important to continue to strengthen internal controls and resolve any grants management and administration deficiencies. Please provide a schedule for resolving each of these recommendations and/or provide any additional information within 45 days from receipt of this letter. Please provide this information via email to tracy.narbeth@fema.dhs.gov.

Notice to All Recipients: FEMA monitoring activities are proactive grants management initiatives designed to assist recipients in the successful management of FEMA grant dollars. You are being provided this information to assist you in correcting findings resulting from a monitoring activity. Please note these findings must be resolved by the stated deadline to promote sound financial management practices. Failure to resolve findings identified during a monitoring review by the assigned deadline can result in enforcement actions being taken in accordance with the applicable Uniform Administrative Requirements. If you have any questions regarding this letter, please speak with your Grants Management Specialist as soon as possible.

Please do not hesitate to contact Tracy Narbeth, Grants Management Specialist, at tracy.narbeth@fema.dhs.gov or (617) 306-9492 if you or your staff have any questions or concerns regarding this review.

Sincerely,

for

Vida Morkunas
 Division Director
 Grants Management Division

cc: Brenda Buker, Operations & Internal Controls Manager, Vermont Emergency Management
 Joanne Weinstock, Grants Management Branch Chief, FEMA Region I
 Tommy Kennedy, Hazard Mitigation Assistance Branch Chief, FEMA Region I
 Dan Laurich, Public Assistance Branch Chief, FEMA Region I

Attachment A
**Vermont Emergency Management
FY23 Financial Monitoring Review**

Finding: Contract Provisions

A contract package issued by the Vermont Emergency Management (VEM) in 2022 to SWCA Environmental Consultants was reviewed. As required, the contract provisions included the following:

- Termination for Convenience
- Termination for Cause
- Equal Employment Opportunity
- Davis-Bacon Act
- Contract Work Hours and Safety Standards
- Rights to Inventions Made Under a Contract or Agreement
- Clean Air Act
- Debarment and Suspension
- Byrd Anti-Lobbying Amendment
- Procurement of Recovered Materials

However, the contract provisions did not contain the following:

- Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment (2 CFR 200.216)
- Domestic Preferences for Procurements (2 CFR 200.322)

Recommendation: It is recommended that VEM incorporates these two contract provisions into their standard contract package.

Status: Open, pending a sample standard contract package submitted to FEMA demonstrating the inclusion of these missing contract provisions.

Observation #1: Improvements to Subrecipient Award Package

A FY20 Emergency Management Grant Program subrecipient award package issued by VEM to the Town of Putney was reviewed. While the award package was comprehensive and well organized, FEMA is making the improvement recommendations listed below.

- The subaward Period of Performance Start and End Dates were included, but the Budget Period Start and End Dates were not. It is recommended these dates be incorporated to come into full compliance with 2 CFR 200.332(a).
- There is a “Federal Award Project Description” box on the cover sheet, as required for FFATA reportable subawards. In the sample reviewed, the subaward was not FFATA reportable and the box was left blank. There was an attachment to the subrecipient award package that described the scope of work.
By leaving the box blank, it could be inferred that this topic was overlooked. VEM should input either “N/A” or “See Attachment” instead of leaving it blank.

- The Indirect Cost Rate box was left blank. There happened to be no Indirect Costs charged to this subaward. However, it is recommended that VEM inputs “N/A” in these cases instead of leaving it blank to verify that this topic was in fact reviewed, and not disregarded.
- There was a “R&D” box, with a box next to it that could be checked off. Instead of a non-descript box, it is recommended that VEM adds “Yes” and “No” boxes. Again, this will verify review of this topic.
- For the Program Title, VEM used the abbreviation “EMPG”. Since inclusion of the Program Title is an explicit requirement, it is recommended that VEM spells out Emergency Management Performance Grant instead of using the abbreviation.

Observation #2: Updated Terminology

FEMA noticed instances throughout VEM’s various policies and procedures where the term “CFDA” was not updated to “Assistance Listing”. FEMA recommends that these references be updated.



State of Vermont
Department of Public Safety
45 State Drive
Waterbury, Vermont 05671-1300
<http://dps.vermont.gov/>
(802) 241-5000 (main)

November 20, 2023

U.S. Department of Homeland Security
FEMA Region I
220 Binney Street
Cambridge, MA 02142

Dear Ms. Narbeth,

This letter is in response to your findings from the FY 2023 Financial Monitoring Review. In reviewing the contract package issued by the Vermont Emergency Management (VEM) in 2022 to SWCA Environmental Consultants, you noted that there were two contract provisions that this contract did not contain:

1. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment (2 CFR 200.216)
2. Domestic Preferences for Procurements (2 CFR 200.322)

These were not included in the contract for SWCA Environmental Consultants because these were not applicable. The procurement didn't include any telecommunications or video surveillance equipment/services (200.216) nor did it include goods, products, or materials (200.322).

If the contract that was reviewed had telecommunication or video equipment/surveillance services, it would have included the proper Attachment D as below:

Attachment D for professional IT services:

https://bgs.vermont.gov/sites/bgs/files/files/purchasing-contracting/Forms/ATTACHMENT%20D.Professional%20services.03-10-23FINAL_0.docx

Attachment D for IT systems Implementation:

https://bgs.vermont.gov/sites/bgs/files/files/purchasing-contracting/Forms/ATTACHMENT.D.SYSTEM%20IMPLEMENTATION.03.10.23FINAL_0.docx

Both versions reference the State of Vermont Cybersecurity Standard Update 2023-01 which can be found at the link below.

https://digitalservices.vermont.gov/sites/digitalservices/files/doc_library/Cybersecurity_Standard_Update_2023-01.pdf which covers the prohibitions in Public Law 115-232.

Since we have compliance measures in place where applicable I respectfully request that the finding for 200.216 be withdrawn.



I have made the Department of Building and General Services Office of Procurement and Contracting aware of the finding for 200.322 and although I haven't had a response yet, I expect a provision will be added to the standard Attachment D to ensure compliance with Domestic Preferences. I will follow up on the outcome of this corrective action by the end of December.

I would also like to thank you for your recommendations. We have reviewed each of these and have begun incorporating all of them into our processes.

Sincerely,

DocuSigned by:

Richard Hallenbeck

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Richard Hallenbeck

Director of Finance and Administration
Vermont Department of Public Safety

Buker, Brenda

From: Narbeth, Tracy <tracy.narbeth@fema.dhs.gov>
Sent: Monday, December 4, 2023 11:45 AM
To: Hallenbeck, Richard
Cc: Buker, Brenda; Austin, Melissa; Forand, Eric
Subject: RE: FEMA Financial Monitoring Site Visit

EXTERNAL SENDER: Do not open attachments or click on links unless you recognize and trust the sender.

Good morning,

Thank you for your timely response. This finding is considered closed.

Have a good holiday season!

Tracy

Tracy Narbeth
Grants Management Specialist
DHS/FEMA Region 1
Mobile (617) 306-9492
tracy.narbeth@fema.dhs.gov

Federal Emergency Management Agency
fema.gov



FEMA

From: Hallenbeck, Richard <Richard.Hallenbeck@vermont.gov>
Sent: Monday, November 20, 2023 2:40 PM
To: Narbeth, Tracy <tracy.narbeth@fema.dhs.gov>
Cc: Buker, Brenda <Brenda.Buker@vermont.gov>; Austin, Melissa <Melissa.Austin@vermont.gov>; Forand, Eric <Eric.Forand@vermont.gov>
Subject: RE: FEMA Financial Monitoring Site Visit

CAUTION: This email originated from outside of DHS. DO NOT click links or open attachments unless you recognize and/or trust the sender. Please select the Phish Alert Report button on the top right of your screen to report this email if it is unsolicited or suspicious in nature.

Hi Tracy,

Attached please find a response to the results letter for the site visit conducted August 7 through August 11, 2023. Please let me know if you have any questions.

Kind regards,
Rick

Richard M. Hallenbeck

Director of Administration/Finance
Vermont Department of Public Safety
45 State Drive
Waterbury, VT 05671
Telephone: (802) 241-5339
E-Mail: Richard.Hallenbeck@vermont.gov



From: Buker, Brenda
Sent: Tuesday, October 10, 2023 8:38 AM
To: Narbeth, Tracy <tracy.narbeth@fema.dhs.gov>; Forand, Eric <Eric.Forand@vermont.gov>; Hallenbeck, Richard <Richard.Hallenbeck@vermont.gov>
Subject: RE: FEMA Financial Monitoring Site Visit

Hi Tracy,

Thank you. We will review and work on our corrective action for the finding on contract provisions. Thank you for the observations regarding improvements to our subrecipient award packages and update terminology.

Best Regards,

Brenda Buker
Operations & IC Manager
Division of Finance & Administration
Vermont Department of Public Safety
(802) 760-0966 (M)
Brenda.buker@vermont.gov

From: Narbeth, Tracy <tracy.narbeth@fema.dhs.gov>
Sent: Tuesday, October 10, 2023 8:06 AM
To: Forand, Eric <Eric.Forand@vermont.gov>; Buker, Brenda <Brenda.Buker@vermont.gov>
Subject: FEMA Financial Monitoring Site Visit

EXTERNAL SENDER: Do not open attachments or click on links unless you recognize and trust the sender.

Good morning,

Attached please find the results letter from our financial monitoring site visit conducted August 7 through August 11, 2023.

There was one finding and two observations. Please provide a response to the one finding by November 24th. Please note that the corrective action doesn't necessarily have to be completed by this date, but a response is due by this date.

Overall, we commend the Vermont Emergency Management for its sound financial administration of FEMA's grant awards.

The potential of acquiring a grants management system was mentioned during the review. I believe this software system could certainly be beneficial in that it could help simplify and streamline procedures, and provide an opportunity to manage the entire grant lifecycle efficiently in one place.

I appreciate your high level of cooperation and responsiveness throughout this review!

Thank you,
Tracy

Tracy Narbeth
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DHS/FEMA Region 1
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Federal Emergency Management Agency
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