

## § 361.6

(7) Provided for in the approved budget/workplan of the State; and

(8) Consistent with OMB Circular A-87, "Cost Principles for State and Local Governments," and with 44 CFR part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

(d) A State must submit and FEMA must approve a statement of work before the State receives any grant funds. The statement of work and target allocation of funds are based on a 12-month performance period. Except under extenuating circumstances, the funds initially obligated to the State will be based on the amount of time remaining in the performance period at the time the statement of work is approved. (Approved by the Office of Management and Budget under OMB control number 3067-0170)

(e) States are expected to perform activities and therefore expend funds on a quarterly basis in accordance with the approved statement of work. At the end of the third quarter, State and FEMA regional office staff will review the State's accomplishments to date. Funds not expended in accordance with the approved statement of work by the end of the third quarter of the performance period will not be made available to the State unless the State can demonstrate, and FEMA approves, its ability to perform activities adequately resulting in the expenditure of the funds by the end of the performance period.

### **§ 361.6 Documentation of matching contributions.**

(a) The statement of work provided by the State to FEMA describing the specific activities comprising its earthquake hazards reduction project, including the project budget, shall reflect a level of effort commensurate with the total of the State and FEMA contributions.

(b) The basis by which the State determines the value of an in-kind match must be documented and a copy retained as part of the official record.

(c) The State shall maintain all records pertaining to matching contributions for a three-year period after the date of submission of the final financial report required by the CCA, or

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date of audit, whichever date comes first.

### **§ 361.7 General eligible expenditures.**

(a) Expenditures must be for activities described in the statement of work mutually agreed to by FEMA and the State during the annual negotiation process, or for activities that the State agrees to perform as a result of subsequent modifications to that statement of work. These activities shall be consistent with the definition of eligible activities in § 361.2.

(b) The following is a list of eligible expenditures. When items do not appear on the list they will be considered on a case-by-case basis for policy determinations, based on criteria set forth in § 361.5. All costs must be reasonable, and consistent with OMB Circular A-87.

(1) Direct and indirect salaries or wages (including overtime) of employees hired specifically for carrying out earthquake hazards reduction activities are eligible when engaged in the performance of eligible work.

(2) Reasonable costs for work performed by private contractors on eligible projects contracted for by the State.

(3) Travel costs and per diem costs of State employees not to exceed the actual subsistence expense basis for the permanent or temporary activity, as determined by the State's cost principles governing travel.

(4) Non-expendable personal property, office supplies, and supplies for workshops; exhibits.

(5) A maximum of \$8,000 or 10 percent of the total project allocation, whichever is less, may be expended for personal computer equipment in the first year of program funding. A full-time earthquake staff person must be employed and the equipment must be dedicated entirely to the earthquake project.

(6) Meetings and conferences, when the primary purpose is dissemination of information relating to the earthquake hazards reduction project.

(7) Training which directly benefits the conduct of earthquake hazards reduction activities.