

Purchasing Under a FEMA Award: Resources for Private Nonprofits and Religious Organizations

Nonprofit and religious organizations play a critical role in supporting their communities and may be able to access financial assistance under FEMA grant programs. This fact sheet provides key information and resources to these partners to help ensure compliance with federal requirements when purchasing under a FEMA grant award.

Nonprofit Organizations

Although eligibility will vary depending on the FEMA grant program, nonprofit or private nonprofit organizations (PNPs) and religious organizations are considered [non-federal entities \(NFE\)](#) eligible to receive financial assistance under some federal programs. Pursuant to [2 C.F.R. § 200.1](#), *Nonprofit Organizations* (to include PNPs) are defined as any corporation, trust, association, cooperative, or other organization, not including institutes of higher education, that is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; is not organized primarily for profit; and uses net proceeds to maintain, improve, or expand the operations of the organization. For some FEMA grant programs, this includes religious organizations. **NOTE:** Even though they are not considered to be “Nonprofit Organizations” under the 2 C.F.R. 200.1 definition, [Institutions of Higher Education](#) are considered to be eligible subrecipients for assistance under several FEMA grant programs, including FEMA’s Nonprofit Security Grant Program (NSGP).

PNPs and religious organizations may need to award contracts in order to fulfill their missions under a FEMA award, however, when doing so, they must ensure compliance with the federal procurement rules at [2 C.F.R. §§ 200.318 – 200.327](#). Due to their nongovernmental status, PNPs and religious organizations face unique challenges when purchasing under a FEMA award, and it is important that they understand which procurement rules are applicable to their entity types and where they can find resources to help ensure compliance.

Procurement Rules

An NFE must first determine whether it is a [state](#) entity or a [non-state entity](#) to determine which federal procurement rules apply. PNPs and religious organizations are considered non-state entities because they do not meet the definition of a state entity (they are not state agencies or instrumentalities of a state). As non-state entities, PNPs and religious organizations must follow the applicable federal procurement rules from 2 C.F.R. §§ 200.318 – 200.327. Below are the federal procurement rules applicable to non-state entities along with information illustrating common mistakes to avoid when purchasing under a FEMA award and additional tools and resources to assist during the procurement process.

Federal Procurement Rules			
1.	§ 200.318 General Procurement Standards	6.	§ 200.323 Procurement of Recovered Materials
2.	§ 200.319 Competition	7.	§ 200.324 Contract Cost and Price
3.	§ 200.320 Methods of Procurement to be Followed	8.	§ 200.325 Federal Awarding Agency or Pass-Through Entity Review
4.	§ 200.321 Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms	9.	§ 200.326 Bonding Requirements
5.	§ 200.322 Domestic Preferences for Procurements	10.	§ 200.327 Contract Provisions

Common Mistakes of PNPs and Religious Organizations

Below is a list of common procurement mistakes PNPs and religious organizations make when awarding contracts under a FEMA award.

1. Restricting Full and Open Competition

Unlike many government entities, PNPs and religious organizations may not have procurement policies or procedures in place that require procurement transactions be conducted in a manner providing full and open competition. Full and open competition means that a complete requirement with a scope of work is publicly solicited, and all responsible contractors that are interested are permitted to compete for the project work. See [Chapter 4: Competition](#) of the Procurement Disaster Assistance Team (PDAT) Field Manual. PNPs and religious organizations may inadvertently fail to comply with these requirements when purchasing under a FEMA grant award, as PNPs and religious organizations might not have rules in place requiring competition. The following are common full and open competition mistakes to be avoided:

- Placing unreasonable requirements on firms; requiring unnecessary experience; specifying only a “brand name” product; or engaging in any arbitrary action that could show prejudice or discrimination;
- Using state, local, or tribal geographic preferences in the evaluation of bids or proposals unless permitted by federal law;
- Allowing contractors that develop or draft specifications, requirements, statements of work, invitations for bid, or requests for proposals to compete for and be awarded the subsequent contract for that work;
- Awarding noncompetitive contracts to consultants that are on retainer contracts; and
- Not maintaining written standards of conduct covering conflicts of interest, including organizational conflicts of interest.

2. IMPROPER USE OF INFORMAL METHODS OF PROCUREMENT

The federal procurement rules at [2 C.F.R. § 200.320](#) require non-state entities to use one of five allowable methods of procurement for purchasing goods and services. These methods of procurement are divided into three main categories: informal (micro-purchases and small purchases), formal (sealed bids and proposals), and noncompetitive (commonly referred to as “sole sourcing”). Many procurements made by PNPs and religious organizations fall under the Federal Simplified Acquisition Threshold of \$250,000 and therefore, may utilize the informal methods. It is important for PNPs and religious organizations to become familiar with the rules of these methods, which are outlined below. See [Informal Methods of Procurement Fact Sheet](#).

Informal Method of Procurement	Monetary Threshold	Competition
Micro-Purchase Procedures	Not to exceed \$10,000*	May award sole source contract without soliciting competitive bids if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly.
Small Purchase Procedures	Greater than \$10,000 but less than \$250,000	Must obtain price or rate quotations from an adequate number of qualified sources.

***NOTE:** Non-state entities are allowed to self-certify in order to use micro-purchase procedures up to \$50,000 on an annual basis, provided that certain conditions at [2 C.F.R. § 200.320\(a\)\(1\)\(iv\)](#) are met and the non-state entity must maintain documentation available to FEMA and auditors. The self-certification must include a justification, clear identification of the threshold, and supporting documentation.

3. MISSING CONTRACT CLAUSES

PNPs and religious organizations must ensure that their contracts contain applicable clauses as required by [2 C.F.R. § 200.327](#) and [Appendix II to Part 200](#). For a detailed list of both required and FEMA-recommended contract clauses, including when they are applicable, please see the [PDAT Contract Provisions Guide](#).

4. AWARDING A CONTRACT TO SUSPENDED OR DEBARRED CONTRACTORS

Any contractors that are suspended or debarred by a federal agency are ineligible to receive a federal award or contract. See [2 C.F.R. Part. 3000](#). Before entering into a contract, non-state entities should go to the System for Award Management (SAM) database at the [SAM website](#) to check whether a contractor is suspended or debarred. See [Chapter 3: General Procurement Under Grant Standards](#) of the PDAT Field Manual.

5. MISSING OR INCOMPLETE DOCUMENTATION OF PROCUREMENT ACTIONS

PNPs and religious organizations must have written procurement policies and procedures which govern their procurement actions. They must also maintain sufficiently detailed records that document the procurement history. See [2 C.F.R. § 200.318](#). These records must include but are not limited to the following:

- Rationale for the method of procurement;
- Selection of contract type;
- Contractor selection or rejection; and
- Basis for the contract price.

Additionally, the non-state entity’s records must also include the contract documentation and any contract modifications. Contract documents pertinent to a federal award must be retained for three years from the date of submission of the final expenditure report pursuant to [2 C.F.R. § 200.334](#). For a complete list of the procurement documentation file, see [Chapter 3: General Procurement Under Grant Standards](#) of the PDAT Field Manual.

Tools and Resources

Procurement Resources	
Procurement Disaster Assistance Team (PDAT) Field Manual	This in-depth resource lists, describes, and exemplifies the mandatory requirements for recipients and subrecipients when purchasing under a FEMA award. NOTE: This manual supersedes the 2014, 2016, and 2019 versions of the Field Manual.
Contract Provisions Guide	This contract provisions guide helps recipients and subrecipients understand which clauses are required for their contracts and includes sample language for those clauses. The guide is also available in Spanish .
Informal Methods of Procurement Fact Sheet	This fact sheet provides key information for non-state entities using informal methods of procurement for purchasing goods or services under a FEMA award less than \$250,000.
Procurement Trainings	
Procurement Under Grants Trainings	PDAT offers a suite of training courses available to NFEs including weekly one-hour webinars and two- and three-hour training sessions that provide a thorough overview of the federal procurement rules for FEMA award recipients/subrecipients.
Top Ten Mistakes When Purchasing Under a FEMA Award	Self-paced training covers the federal requirements for FEMA award recipients and subrecipients when purchasing under their grant. The training introduces the 10 most frequent procurement noncompliance issues as reported by DHS the Office of Inspector General (OIG) and lists available resources to help avoid these mistakes.

FEMA Grant Program Resources

Resources	
Public Assistance Program and Policy Guide	The Public Assistance Program and Policy Guide (PAPPG) is a comprehensive, consolidated program and policy document for the Public Assistance (PA) Program.
Private Nonprofit Houses of Worship Fact Sheet	This fact sheet provides eligibility information for PNPs and religious organizations applying for assistance under the PA Program.
Hazard Mitigation Assistance Guidance	PNPs are eligible under the Hazard Mitigation Grant Program (HMGP) and HMGP Post Fire but not for Building Resilient Infrastructure and Communities (BRIC) or Flood Mitigation Assistance (FMA).
Preparedness Grants Manual	Recipients seeking guidance on policies and procedures for managing preparedness grants can reference this manual for program-specific information as well as overall guidance on rules and regulations.
Nonprofit Grant Security Grant Program	Information for PNPs and religious organizations that are high at risk of a terrorist attack seeking funding for target hardening and other physical security enhancements and activities. Assistance is available under the Nonprofit Security Grant Program (NSGP) to organizations that are described under section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such code. For additional information, please refer to the NSGP Notice of Funding Opportunity for the current year.
Trainings and Videos	
Independent Study: Eligibility of Private Nonprofit Organizations	This course provides an overview of FEMA's delivery of PA grant funding to PNPs. By the end of the course, students will be able to understand eligibility requirements, process and documentation requirements, and special considerations for securing PA grant funding for PNPs.
House of Worship Grant Funding Opportunities	Pre-recorded video providing comprehensive overview of grant funding opportunities specific to religious organizations.
Funding Strategies for Communities	Pre-recorded video focusing on how FEMA's Investment Strategy aligns with its mission, with topics ranging from grant programs, cost share to the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act.

Selecting a Contractor	Pre-recorded video detailing the factors to be considered before hiring a contractor under a FEMA award.
Grants Portal	YouTube Channel for PA Grants Portal and Grants Manager.
Continuity Planning for Houses of Worship	Pre-recorded video providing community planning resources to religious organizations preparing for, responding to or recovering from a disaster.

Further Assistance

Additional assistance regarding purchasing under a FEMA award can be accessed by contacting one of the points of contact listed below:

- State Emergency Management Agency (Disaster Grants): www.fema.gov/emergency-management-agencies
- State Administrative Agency (Non-Disaster Grants): <https://www.fema.gov/grants/preparedness/about/state-administrative-agency-contacts>
- FEMA Regional Office: www.fema.gov/fema-regional-contacts
- Additional resources for religious organizations: www.fema.gov/emergency-managers/individuals-communities/faith
- Additional information on the federal procurement standards: www.fema.gov/grants/procurement