

CITY OF MILWAUKEE

Form CA-43

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January 18, 2006

Alderman Michael McGee, Jr.
6th Aldermanic District
Room 205 – City Hall

Re: Use of Asset Forfeiture Funds for Gun Buy Back Program

Dear Alderman McGee:

In your January 13, 2006 e-mail communication, you requested our opinion on whether revenue received from the United States Department of Justice's ("DOJ") asset forfeiture fund could be used by the Milwaukee Police Department ("MPD") for a gun buy back program, as well as for purchasing yard signs with public safety messages. The intent is the signs would then be distributed to citizens.

In our February 2, 2002 opinion, a copy of which is attached, we discussed the various Common Council resolutions dealing with the MPD's use of forfeited cash or property received from the federal government. Specifically, we discussed the DOJ's guidelines on expenditures as outlined in a 1994 publication entitled "A Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies."

Based upon that 1994 publication, we advised that "... the Department of Justice stated that there are now situations in which the guidelines will permit expenditures by non-law enforcement agencies. It stated that forfeited tangible property and cash in excess of 25 percent of the local agencies annual budget may be transferred by the local law enforcement agency to other governmental departments or agencies to support drug abuse treatment, drug and crime prevention, education, housing and job skills programs or other community-based programs. It further stated that such governmental departments or agencies may in turn transfer money received to private law and non-profit community organizations to be spent for such purposes. As a result, we would modify our earlier guidance in 89 OCA 740 to state that in order to comply

Mr. Michael McGee, Jr.
January 18, 2006
Page 2

with federal guidelines, forfeiture funds must be held in trust subject to an express limitation that the funds be expended only at the direction of the Chief of Police to enhance law enforcement efforts, or with approval of the Chief of Police, for non-law enforcement purposes eligible for equitable sharing of federally forfeited property."


In order to determine whether or not there had been any changes to the 1994 DOJ publication, we again contacted the DOJ and spoke with Assistant U.S. Attorney Christian Larsen. He confirmed that the guidance of the 1994 publication had not been changed or otherwise updated. However, he indicated that the use of federal asset forfeiture funds for a gun buy back program was questionable given the DOJ's treatment of that issue in the context of other departmental grant programs such as the Project Safe Neighborhoods Grant Program. (See attached March 5, 2004 DOJ memorandum on this issue.)

He advised that since the Chief of Police must sign off on all asset forfeiture expenditures, that if the Chief was interested in using asset forfeiture funds for a gun buy back program, she could request the U.S. Attorney's Office for an opinion on the legality of such an expenditure. If the Chief so chooses, the Chief can also request an opinion on the use of the asset forfeiture fund for the purchase of the public safety related signs also referenced in your inquiry.

Very truly yours,



GRANT E. LANGLEY
City Attorney



PATRICK B. McDONNELL
Deputy City Attorney

PBM:dms

c: Chief Nannette Hegerty
Anna Ruzinski
Asst. U.S. Atty William Lipscomb
Asst. U.S. Atty. Christian Larsen

1033-2006-160:100982

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February 22, 2002

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Alderwoman Rosa Cameron
Room 205, City Hall

Re: 2002 Asset Forfeiture Plan

Dear Alderwoman Cameron:

Common Council Resolution File No. 851146 authorized the Milwaukee Police Department's ("MPD") to accept federally forfeited tangible property or cash when the MPD participated directly in any of the acts which led to the seizure or forfeiture of such property or cash. Common Council File No. 912021 authorized the acceptance and expenditure of contributions received by the MPD from the federally forfeited tangible property or cash for increased or enhanced law enforcement efforts. In addition to requiring the MPD to report quarterly on the expenditure of the authorization, it directed the MPD to submit annually by February 1st to the Common Council long-range plans for anticipated expenditures of federally forfeited asset funds received in the future. Common Council File No. 920252 rescinded the previously mentioned reporting requirements and required the MPD to: (1) annually by February 1st report to the Common Council detailing receipt and expenditure of funds from the previous calendar year; (2) annually, by December 1st report on anticipated receipt of funds in the next calendar year, together with a plan, including priorities, for expenditure of such funds; and (3) from time-to-time, a detailed report for the expenditure of specific funds received from the Asset Forfeiture Program.

At the present time federal asset forfeiture revenues are subject to s. 304-24 of the Code entitled, "Contributions Received by the City." Under the Code, all contributions must be accepted or rejected by the Common Council. If the contribution is accepted, it is impressed with a trust that its use be for the purpose or purposes specified by the donor. Accepted contributions must be deposited with the City Treasurer in either a reserve account or a contribution revenue account within the general fund. The reserve account is part of the City's Permanent Improvement Fund under s. 65.07, Stats. Contributions are to be deposited in the contribution revenue account only if the department is willing to make a good faith effort

to insure expenditure of the funds in the current fiscal year. Otherwise the contributions are to be placed in the reserve account. Following a fund transfer from the reserve account to general fund revenues, asset forfeiture revenues become available to fund expenditures in the ensuing fiscal year.

Under the Code, the expenditure of contributions occurs only after the Common Council appropriates the funds for expenditure. The necessary appropriation for expenditure occurs as part of the annual budget process or when the Common Council appropriates funds from the special purpose account in the current year budget known as the "contribution fund." When there is an appropriation by resolution, the funds are transferred consistent with the authorizing resolution to a special account and encumbered by the department. Expenditures are to be reported by the Department to the Common Council.

In an opinion dated November 28, 1989 (89 OCA 740), we advised that the federal guidelines require the Common Council to hold federal asset forfeiture funds in trust, which are subject to an express limitation that the funds be expended only at the direction of the Chief of Police to enhance law enforcement efforts. In a communication dated January 31, 2002, you asked the City Attorney to reexamine 89 OCA 740, given the constantly evolving state of federal regulations and the passage of time. Based on our review, it would appear that the United States Department of Justice has relaxed the guidelines to a limited extent. In a 1994 publication entitled "A Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies," the Department of Justice stated that there are now situations in which the guidelines will permit expenditures by non-law enforcement agencies. It stated that forfeited tangible property and cash in excess of 25 percent of the local agencies annual budget may be transferred by the local law enforcement agency to other governmental departments or agencies to support drug abuse treatment, drug and crime prevention, education, housing and job skills programs or other community-based programs. It further stated that such governmental departments or agencies may in turn transfer money received to private law and non-profit community organizations to be spent for such purposes. As a result, we would modify our earlier guidance in 89 OCA 740 to state that in order to comply with federal guidelines, forfeiture funds must be held in trust subject to an express limitation that the funds be expended only at the direction of the Chief of Police to enhance law enforcement efforts, or with approval of the Chief of Police, for non-law enforcement purposes eligible for equitable sharing of federally forfeited property.

Your letter of January 31, 2002 refers to Common Council Resolution File No. 011363. The resolution would amend the MPD's asset forfeiture plan as contained in Common Council File No. 011086 as effected by Common Council File No. 011085, by adding the installation of video surveillance equipment capable of making a permanent video record of all police prisoner transportation vehicles through the 2002 asset forfeiture plan. You asked five specific questions relative to the resolution. They are:

1. Whether or not the resolution is a violation of existing federal guidelines governing the asset forfeiture equitable sharing program.
2. Whether or not the particular use of funds envisioned by this resolution is an eligible use of asset forfeiture funds.
3. Whether or not this resolution is a violation of existing City guidelines, particularly those governing funds management.
4. Whether or not the Common Council has the authority to amend the asset forfeiture plan submitted annually by the Chief of Police.
5. Whether there are any changes that ought to be made to either the Code of Ordinances or City procedures to insure compliance with any of the aforementioned laws or regulations.

Section 304-24 of the Code must be the starting point for any analysis. All resolutions should conform to s. 304-24 of the Code. In our judgment, the reporting requirements established by Common Council File No. 920252 do not conflict with the requirements of s. 304-24 of the Code. Consequently, a requirement that the Chief of Police report annually by December 1st on the anticipated receipt of funds in the next calendar year, together with a plan including priorities for expenditure of funds embodied in Common Council File No. 920252, does not violate the code.

Common Council File No. 010085 authorized the transfer of \$144,500 from the reserve fund to the contribution revenue account. It authorized the comptroller to transfer the funds into a special account within the Department for projects detailed by the Chief of Police in the list of priorities for 2002. It does not appear that there is an appropriation to authorize these expenditures. Because asset forfeiture funds must be used to enhance law enforcement efforts, the appropriation authority cannot be the adopted police department budget. If these expenditures are to be charged to the Contribution Fund Special Purpose Account, there must be a resolution appropriating the funds from the Special Purpose Account for the specified projects before there can be authority for the department to spend the funds.

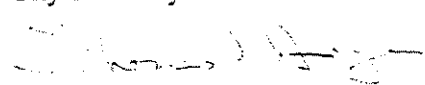
Common Council File No. 011363 would amend the list of authorized priorities to include video surveillance equipment. This resolution does not establish appropriation authority for the expenditure of funds by the MPD for this purpose. This project was not included in the Chief's list of priorities (File No. 011086).

We do not believe Common Council Resolution File No. 011363 violates any existing federal guidelines. It does not change the underlying requirement that the funds be expended at the direction of the Chief of Police for law enforcement purposes. If the Common Council authorizes the Chief of Police to expend funds for the installation of video equipment in certain police vehicles, the expenditure of the funds by the Chief of Police for this purpose would in our opinion be for law enforcement purposes and in accordance with the program guidelines.

The question of whether or not Common Council Resolution File No. 011363 conflicts with existing City guidelines, is more problematical. Under the way the program has been structured in the past, the Chief of Police submits his priorities to the Common Council. The Common Council then determines which of the priorities submitted by the Chief of Police will be funded. This process guarantees that all of the projects will be directed by the Chief of Police as required by the trust and approved by the Common Council. As stated, Common Council File No. 011363 amends the list of priorities to include a priority that has not been submitted by the Chief of Police. Even though this conflicts with the process previously authorized by the Common Council, in our opinion, the Common Council is free to modify requirements established by a resolution with another resolution. However, if the Common Council would carry the matter further and adopt a resolution directing an asset forfeiture plan expenditure without the direction or approval of the Chief of Police, in our opinion, there would be a violation of the federal guidelines. Under the federal guidelines the expenditures must be directed by the Chief.

Very truly yours,



Grant F. Langley
City Attorney


Thomas E. Hayes
Special Deputy Attorney

c: Chief Arthur Jones
Mr. Ronald Leonhardt

TEH/kf 50362 1033-2002-512

Memorandum - Sent via Electronic Mail

DATE: March 5, 2004
TO: PSN DISTRICTS
FROM: Camille Cain 
Acting Director, Bureau of Justice Assistance
SUBJECT: Project Safe Neighborhoods Grant Issues
ACTION REQUIRED: None

Many of the calls fielded by the Firearms Enforcement Assistance Team (FEAT) relate to the Project Safe Neighborhoods grant programs. To assist your district in its PSN implementation efforts, we have gathered information on PSN grants and the grant process, as outlined below.

- I. Ethics
- II. Definition of Juvenile for Project Sentry Grant Activities
- III. Summary of Activities
 - A. Project ChildSafe
 - B. Fiscal Year 2001 Grant Programs
 - C. Fiscal Year 2002 Grant Programs
 - D. Fiscal Year 2003 Grant Program
 - E. Fiscal Year 2004 Grant Program
- IV. Reporting Requirements
- V. Unallowable Costs
- VI. Grant Timelines and Processing
- VII. Privacy Certification
- VIII. Sub-grantee Eligibility
- IX. Travel Budget Guidelines
- X. Other Things to Keep in Mind
- XI. Other Contact Information
- XII. Appendix

- A. Ethics Certification and Guidance
- B. Project ChildSafe Distribution Schedule
- C. FY 2001 Grantee List
- D. FY 2002 Grantee List (Media, Research & Open Solicitation included)
- E. FY 2003 Grantee List
- F. BJA Program Manager Assignments (as of the date of this memo)
- G. Estimated Allocations for FY 2004
- H. Step-by-step Guide to applying online via the Grants Management System (GMS)
- I. Sample Budget
- J. Privacy Certification Sample

ETHICS

Attached is a copy of the Ethical Guidance provided to your offices at the first National Project Safe Neighborhoods Conference in January 2002, as well as the ethical guidance that accompanied the FY 2003 block grant. These memos do not address all the questions that may arise during the grant process, and if you require further guidance on the ethical restrictions on your office please contact Melanie Russell, the Firearms Enforcement Assistance Team (FEAT) ethics point of contact. Although your office may not directly participate in the grant process, we hope you find this information helpful to your planning process. Contact: Melanie Russell, Executive Office for United States Attorneys, Ethics Point of Contact, (202) 514-4024.

DEFINITION OF JUVENILE for PROJECT SENTRY-RELATED GRANT ACTIVITIES

When determining if a task force selected program is a juvenile program, and therefore part of the required 30% set aside, the district may use either their state's definition of juvenile or the definition provided below, whichever is most appropriate. This definition is applicable for Project Sentry, FY03, and FY04 programs.

Under 18 U.S.C. 5031, et seq, which addresses federal proceedings against juveniles, a juvenile who is adjudicated delinquent in the federal system may be held in official detention up to age 26. Section 5037 addresses dispositions in federal juvenile delinquency cases and provides in part that the disposition of a juvenile (i.e., the juvenile equivalent of an adult sentencing) between the age of 18 and 21 may include official detention for up to 5 years for a Class A, B, or C felony. 18 USC 5037(c)(2)(A)(i). A juvenile whose disposition occurs at age 21 can, therefore, remain in the federal juvenile system up to age 26. As a result, Project Sentry grant funds and the juvenile portion of the FY 2003 and FY'04 grants, which must be spent on juvenile gun crime prosecution, prevention, and deterrence, may be expended on programs targeting persons 26 years of age and younger.

In addition to programs that target juveniles directly, the abovementioned funds may also be expended on programs that target adults who illegally provide firearms to juveniles.

SUMMARY OF GRANT ACTIVITY

PROJECT CHILDSAFE

Overview: Project ChildSafe is part of Project Safe Neighborhoods, the Presidential initiative to reduce gun violence across the country through new or expanded prevention, deterrence, and prosecution efforts. Project ChildSafe is a nationwide firearms safety education program. Its intention is to prevent children from accessing a loaded firearm in the home through the distribution of gun locks and gun safety information.

Project ChildSafe started as a national program with a Congressional earmark in FY2001 which enabled the distribution of 2.4 million gun locks. Project ChildSafe FY2002 funds cover the purchase and distribution of nearly 20 million safety kits (gun locks and safety pamphlets) nationwide in partnership with local law enforcement, governors, U.S. Attorneys, and other interested groups. FY2003 funding of \$25 million will allow for the distribution of an additional 10 million safety kits. The FY'04 budget, as approved by Congress, reflects a significant reduction in Project ChildSafe funding. Planning for FY'04 is being conducted in an effort to ensure that the limited funds are used in the most effective way.

The National Shooting Sports Foundation (NSSF) administers this program for BJA. They subcontract with The Bean Agency for coordination and implementation of the distribution effort, which includes marketing.

Distribution: The gun lock distribution amounts and schedules for each state can be found at www.projectchildsafesafe.org. The number of locks to be distributed to each state has been Congressionally approved; however, each state is involved with developing the distribution schedule. After a state kick-off event with the governor or designee, mobile classroom trucks make numerous stops across the state to distribute safety kits and raise awareness of firearms safety. Trucks are joined by law enforcement representatives, who are encouraged to repeat distribution events until all remaining locks are distributed. A comprehensive TV, radio, and print media program complements the distributions. Distribution of FY 2002 locks began in full in October 2003, with smaller distributions held during the summer of 2003. Most states will be revisited beginning in the spring of 2004. For the official distribution launch and other Project ChildSafe events, United States Attorney's offices may chose either to partner with the governor and other officials in their state, or host their own event.

Contacts: Organizations or individuals needing information in addition to that found on the website may contact Steve Alger at The Bean Agency at 1-800-393-7969 for distribution related questions and the National Shooting Sports Foundation at 203-426-1320 for general program questions. Partnerships with local law enforcement agencies and the NSSF for gun lock distribution events are encouraged.

FISCAL YEAR 2001 GRANT PROGRAMS

In FY 2001, BJA initiated the Gun Violence Prosecution (GVP) program, which directly funded jurisdictions to hire state and local prosecutors across the country to focus on

cases that involve violent crimes committed with guns and other violations of gun statutes that involve drug trafficking and gang-related crimes in high firearm-related violence areas. Funding for hiring prosecutors under this program was available to all state, county, city, and tribal public prosecutor offices, including state attorney general offices that have responsibility for prosecuting matters involving firearm-related violent crime.

The competitive Community Gun Violence Prosecution Program (GVP) was a three year grant award funded in FY 2001 and FY 2002. There were 311 grant awards, to hire up to four new prosecutors for three years. Grants made for the GVP grant program ranged from \$52,000 - \$480,000. Applications were selected according to the rate of firearm-related violence occurring within their respective jurisdictions. **Many of the GVP grants will be ending this fiscal year.** If the grant has funds remaining, extensions of the expenditure deadline date is allowable and encouraged. Please contact your Program Manager for information or see the Office of Justice Programs, Financial Guide located online at <http://www.ojp.usdoj.gov/FinGuide>.

The GVP grants covered 80% of the salary and benefits costs up to \$40,000 for a state or local prosecutor. The local office was responsible for the remainder. The grants were awarded with the understanding that after three years, the state or local jurisdiction would make a good faith effort to continue funding at 100% for these positions. As a result, PSN task forces are not obligated to dedicate FY 2004 PSN funds to continue to employ GVP prosecutors, but may do so if deemed appropriate by the local PSN Task Force. A list of Community Gun Violence Prosecution Grant Recipients may be found in the Appendix, organized by state.

FISCAL YEAR 2002 GRANT PROGRAMS

In Fiscal Year 2002, BJA sponsored four new PSN grant programs. The Research Partner/Crime Analyst and Media Outreach and Community Engagement programs were grants in which the U.S. Attorney-partnered PSN Task Forces selected research and/or media partners to assist with local efforts. Additionally, there were two other funding programs: the Project Sentry grants for juvenile-related programs and an Open Solicitation to fund innovative ideas in reducing gun violence.

- The non-competitive Research Partner/Crime Analyst grants have an average award of \$150,000 over three years. Awards were made starting in 10/02 and will end 9/05. There were 85 grant awards made for this grant program. Applications were selected via PSN Task Force selection and U.S. Attorney certification. A list of all Research Partner/Crime Analyst grant awards may be found in the Appendix.
- The non-competitive Community engagement/media partners have an average award of \$170,000 over two years. Awards were made starting in 10/02 and will end 9/04. There were 87 grant awards made for this grant program. Applications were selected via PSN Task Force selection and U.S. Attorney certification. **Many of the Media grants will be ending this fiscal year.** If the grant has funds remaining, extensions of the expenditure deadline

date is allowable and encouraged. Please contact your Program Manager for information or see the Office of Justice Programs, Financial Guide located online at <http://www.ojp.usdoj.gov/FinGuide>. A list of all Community Engagement/Media Partners may be found in the Appendix.

- The non-competitive Project Sentry grants, given to District Attorneys Offices, were funded between \$200,000 and \$1,000,000. Awards were made over 24-36 months. There were 37 grant awards made for this grant program. Counties were selected based upon the juvenile arrest rate for violent crime index (VCI) offenses and the county population. **Many of the Project Sentry grants will be ending this fiscal year.** If the grant has funds remaining, extensions of the expenditure deadline date is allowable and encouraged. Please contact your Program Manager for information or see the Office of Justice Programs, Financial Guide located online at <http://www.ojp.usdoj.gov/FinGuide>. A list of all Project Sentry awards and end dates may be found in the Appendix.
- The competitive Open Solicitation grants have an average award of \$250,000 over three years. Awards were made in 10/02 and will end 9/05. There were 40 grant awards made for this grant program. A list of all Open Solicitation awards and end dates may be found in the Appendix.

Because the FY 2002 grants will end this year or next, task forces may want to consider setting aside funds from their FY 2004 PSN grant to continue these programs. The Department of Justice (DOJ) strongly encourages the PSN Task Forces to remember that three of the five elements of PSN are strategic planning, accountability, and outreach. The Research and Community Outreach Partners can help achieve success with these required elements of the program. The other grant program beginning to sunset in 2004 is the state/local prosecutor grant program. A district may choose to continue to fund those grants once they expire; however, the original intent of those grants was to provide a portion of funding for the first three years with the expectation that the state or local office would take over full responsibility for payment of the position.

A list of all FY 2002 grant recipients (Research Partner/Crime Analyst, Community engagement/media partners, Project Sentry, and Open Solicitation) may be found in the Appendix.

FISCAL YEAR 2003 GRANT PROGRAM

In response to feedback from the field, the FY 2003 program reflected a change from FY2002. Instead of having separate grants for each PSN component, the FY 2003 grants were consolidated into a block grant type distribution. That is, each district received a base allocation; the remaining funds were then distributed based on population. This new format provides each districts' task force with more flexibility in determining how the money should be spent on gun violence reduction efforts at the local level.

The FY 2003 juvenile set aside is 29%, as determined by the Congressional appropriation for Project Sentry funds. Additionally, FY 2003 grant project periods are one to three years. Project periods and end dates vary from grant to grant. Please check your award documents to confirm this information.

To administer these funds, each district chose a fiscal agent who will then entered into sub-grants or contracts with individual projects to carry out the individual components of the PSN Task Force Strategy. A list of fiscal agents and allocations by district is available in the attached appendix.

FISCAL YEAR 2004 GRANT PROGRAM

The FY 2004 grant program will be administered in the same way as the FY 2003 grant program. The allocation formula, application steps and sub-granting/contracting guidelines remain the same. Allocations for the FY 2004 PSN program will be forthcoming, as soon as possible. It is anticipated that there will be a 17 – 20% cut in funding. Based on this estimation, estimated allocations have been provided in the attached appendix. Additionally, we anticipate that the juvenile set aside will remain close to the FY 2003 level. This year it appears that it will be 30%. However, this figure will be finalized and communicated.

Please be aware that many FY 2001 and FY 2002 grants will be expiring in the coming year (see grantee lists in the attached appendix). This means that many of these grantees may be asking the task force selection committee for continued funding. Please consider how they fit into the district's overall PSN Task Force Strategy and critical components of the national PSN effort when making funding decisions.

As stated above, the FY 2004 program will be administered exactly like the FY 2003 program. Task force selection committees will, once again, be asked to choose a fiscal agent. For a variety of reasons, the task force may be tempted to choose a different fiscal agent for FY 2004. Though this is an option for all districts, it is **strongly recommended that the fiscal agent remain the same**. It is the goal of the overall PSN effort to provide a coordinated and consistent approach to addressing gun violence. Switching between fiscal agents may cause confusion and lapses in communication between the task force and current fiscal agents and sub-grantees. A strong collaboration is needed for local projects to feel a part of addressing the local problem and for the accountability message to be communicated effectively.

Should it be determined that changing fiscal agents is the only option, this is allowed. Should it also be decided that the FY 2003 fiscal agent needs to be changed at this time, the task force selection committee should be aware of what is involved in that process. Information on the full process can be obtained from the state's Program Manager (see appendix). This process is very time consuming and could prevent access to funds for up to 6 months. It involves deobligating the remaining funds from the previous fiscal agent before these funds can be awarded to the new fiscal agent. Though awarding funds to the new fiscal agent can be completed fairly quickly, deobligating funds requires cooperation on the part of the previous fiscal agent, involvement of several of OJP's offices/agencies, and a complete restriction to access

to grant funds. Though project activities can continue, reimbursing the fiscal agent (and therefore the local projects) will not be allowed.

REPORTING REQUIREMENTS

All reporting requirements are terms and conditions of BJA grant awards. Grant funding may be suspended based on inadequate or late reports. If a district has concerns with a particular grantee and would like to review what the grantee has represented in submitted reports, they should contact that particular grantee to discuss their concerns. One of the five core elements of PSN is partnership. It was the intent of the PSN program to encourage cooperation within the district among all those involved. It is important to address and acknowledge challenges and accomplishments at the local level first. If additional assistance is needed, please contact your district FEAT point of contact.

Grant	Financial Reporting (Quarterly)	Progress Reporting (Semi-Annually)	Additional Reporting
GVP	Financial Report 269 http://www.ojp.usdoj.gov/Form/s/sf269a_fillable.pdf	Categorical Assistance Progress Report http://www.ojp.usdoj.gov/BJA/html/disc-progreport.html	
Sentry	Financial Report 269 http://www.ojp.usdoj.gov/Form/s/sf269a_fillable.pdf	Categorical Assistance Progress Report http://www.ojp.usdoj.gov/Forms/categorical4587-1_fillable.pdf	
Open	Financial Report 269 http://www.ojp.usdoj.gov/Form/s/sf269a_fillable.pdf	Categorical Assistance Progress Report http://www.ojp.usdoj.gov/BJA/html/disc-progreport.html	
Media	Financial Report 269 http://www.ojp.usdoj.gov/Form/s/sf269a_fillable.pdf	Categorical Assistance Progress Report http://www.ojp.usdoj.gov/Forms/categorical4587-1_fillable.pdf	
Research	Financial Report 269 http://www.ojp.usdoj.gov/Form/s/sf269a_fillable.pdf	Categorical Assistance Progress Report http://www.ojp.usdoj.gov/Forms/categorical4587-1_fillable.pdf	Michigan State University Research Report (Semi-Annually)
PSN 03	Financial Report 269 http://www.ojp.usdoj.gov/Form/s/sf269a_fillable.pdf	Categorical Assistance Progress Report http://www.ojp.usdoj.gov/Forms/categorical4587-1_fillable.pdf	
PSN 04	Financial Report 269 http://www.ojp.usdoj.gov/Form/s/sf269a_fillable.pdf	Categorical Assistance Progress Report http://www.ojp.usdoj.gov/Forms/categorical4587-1_fillable.pdf	

UNALLOWABLE COSTS

Each local PSN task force is to design the local program to meet certain goals and objectives based on the needs in that district. However, certain activities and the related funding are unallowable. They include:

Gun locks – The Bureau of Justice Assistance (BJA) has provided \$80 million dollars in grant funds for Project ChildSafe for the purpose of providing education and training across the country. Part of Project ChildSafe includes a grant to the National Shooting Sports Foundation (NSSF) to provide both free firearm safety kits, including gun locks, and gun education programs. Currently, NSSF is disbursing gun locks across the country. For more information, including the distribution schedule, please visit the Project ChildSafe website at www.projectchildsafe.com. As free locks are available through this program, grant recipients should reserve their PSN grant funds for other programmatic needs.

Confidential Funds – Confidential funds are considered to be a budget category approved only for programs with an investigative focus. PSN is a prosecutorial program. As a result, confidential funds are not approved as a budget category. Confidential funds are those monies allocated to:

- *Purchase of Services (P/S)*. This category includes travel or transportation of a non-Federal officer or an informant; the lease of an apartment, business front, luxury-type automobiles, aircraft or boat, or similar effects to create or establish the appearance of affluence; and/or meals, beverages, entertainment, and similar expenses (including buy money and flash rolls, etc.) for undercover purposes.
- *Purchase of Evidence (P/E)*. This category is for the purchase of evidence and/or contraband, such as narcotics and dangerous drugs, firearms, stolen property, counterfeit tax stamps, etc., required to determine the existence of a crime or to establish the identity of a participant in a crime.
- *Purchase of Specific Information (P/I)*. This category includes the payment of monies to an informant for specific information. **(Tip or reward money)**

However, PSN grant funds may be used to develop and maintain mechanisms or systems to gather information from informants, such as tip lines.

Gun Buy Back Programs – It is the policy of the Department of Justice, Office of Justice Programs to disallow purchase of legal or illegal guns as a means to reduce gun violence. There appears to be little research evidence that supports gun buyback programs, standing alone, as effective programs to reduce or deter gun violence or possession or contribute to community safety. Consequently, there is a strong basis to conclude that the use of PSN funds for gun buyback programs does not contribute to the statutory goals of reducing gun violence and deterring illegal gun possession. Similar restrictions are enforced in other OJP offices, such as, the Executive Office of Weed & Seed.

Air Time for Public Service Announcements – Grantees shall not pay for airtime to run the national public service announcements “Mothers” and “Sentenced”. Agreements were made during contract negotiations that prevent this activity.

This information is in addition to the unallowable cost information provided in the OJP Financial Guide for Bureau of Justice Assistance programs. If you have any questions regarding unallowable costs, please contact your Program Manager or the BJA Project Safe Neighborhoods contact, Nicole Lievsay at 202/353-1693 or lievsay@ojp.usdoj.gov.

GRANT TIMELINES AND PROCESSING

As stated previously, the application process for FY 2004 grants will be the same as FY 2003. The online application system opened on January 23, 2004 and closes March 26, 2004. During this period, the FY 2004 fiscal agent will need to complete the following steps (includes anticipated timelines):

- Register for the funding opportunity. This can be completed by going to <http://www.ojp.usdoj.gov/fundopps.htm> and choosing “Apply Online” under the FY 2004 Project Safe Neighborhoods (PSN) solicitation. These approvals are done twice a day, at a minimum. This means that within 24 hours the fiscal agent will receive an email asking them to submit their application. (Please have the application ready to submit to reduce processing time for the next step.)
- Once the user ID has been approved by BJA for this funding opportunity, the application may be submitted by following the step by step guide to applying via the Grants Management System (GMS) (see attached appendix). If there are problems, please call the GMS HelpDesk at the number provided on the step by step guide.
- After reviewing the application and receiving a final budget clearance from OJP’s Office of the Comptroller, the Program Manager will process the application for award. It is at this stage that the processing of applications takes the most time. The steps that must be completed at this juncture include the following:
 - Review of all application components and allowable costs by Program Manager.
 - Changes to the strategy/application made by the fiscal agent/applicant.
 - Review of Task Force Strategy by the FEAT point of contact. (These are to be reviewed within 10 calendar days and feedback given to the Program Manager). The fiscal agent should notify the appropriate FEAT POC when the application has been received. They will be able to discuss with the Program Manager should the strategy not be forwarded for review quickly.
 - Review of submitted budget by OJP’s Office of the Comptroller. This will include a review of allowable costs; required documentation of proposed expenses, format, and other outstanding issues. (These are to be completed in approximately 10 days, when possible.) To reduce the amount of review time needed, please use the required budget format found in the sample budget, double-check all math, and assure that there are no outstanding reports due to OJP for other federal grants.

- Generation of the grant award package by the Program Manager upon receipt of the final budget clearance. (This should take approximately 24 hours.)

There are other approval steps that must be completed, but they are not as thorough and should be quickly completed. Assistance from the fiscal agent in completing this stage is appreciated. Please respond to all Program Manager inquiries quickly.

Notes:

- The other approval steps mentioned above take approximately two to three weeks.
- Once the award has been signed by the Assistant Attorney General for OJP, the Office of Communications (OCOM) completes the Congressional notification step. This step requires a 10-business-day lead-time to notify relevant Congress members of the pending award.
- Once this step is completed, the award package is sent to the fiscal agent. For FY 2003 grants this is mailed through the US Postal Service. For FY 2004 grants this will be mailed electronically (Adobe PDF version). This means it is important that the fiscal agent provides accurate email addresses for both the Authorized Official and the Point of Contact in GMS.
- There are very few opportunities for this process to be completed more quickly.
- Program Managers in BJA and Financial Analyst in the Office of the Comptroller are also processing many other applications and reviews. Your patience during this high volume time is appreciated.

PRIVACY CERTIFICATION

BJA grants supporting FY 2002 PSN research partners, FY 2003 PSN block grants and the future FY04 PSN block grant under the Project Safe Neighborhoods Initiative require as a term and condition of award the submission of a privacy certificate. If your project involves collecting information that is identifiable to a private person, you must submit a Privacy Certificate to BJA for all PSN grants that include research activities. Information can be submitted to Michelle Shaw at shawm@ojp.usdoj.gov if you have any questions please feel free to call her at 202-514-9354.

SUBGRANTEE ELIGIBILITY

Nonprofit organizations and units of state and local government are eligible to apply for grants to the PSN Task Force for FY 2004 funding. Units of state and local government are considered to be counties, municipalities, townships, & special units designated by law to exercise governmental functions, excluding school boards. This includes tribal governments which exercise law enforcement functions.

A commercial organization, in the role of a primary grantee, must agree to waive their fee. However, for contracts under grants, a profit is allowable. It must not exceed 10 percent of the total estimated cost of the contract (see Financial Guide, Part III, Chapter 10, Procurement Under Awards..., Professional Services).

TRAVEL BUDGET GUIDELINES

For those attending the FY 2004 National Conference please be advised, if members of your task force, or subrecipients, wish to participate in the PSN National Conference sponsored by the Department of Justice (DOJ), please include these expenses in the submitted budget. For FY 2003 grantees if you do not have funds for travel included in your budget, please contact your program manager for a budget modification. **Note: For local participants DOJ is paying for lodging and working meals. All other expenses should be charged to the grant or jurisdiction funds. It should also be noted that grant funds may not be used to pay for travel of federal employees.**

OTHER THINGS TO KEEP IN MIND

- Grants given to fiscal agents within each US Attorney district range from one year to three years.
- Sub-grants may also range from one to three years. It is advisable to consider short term grants with new sub-grantees in the event priorities and strategy change for the task force or problems develop with a particular sub-grantee.
- There are a variety of ways to provide funding for local projects. The task force may decide to simply choose who will receive funding, decide to host competitive selection processes, or use a combination of the two.
- The Executive Office of Weed & Seed, in collaboration with the Executive Office for US Attorneys, funds sites throughout the country in an effort to reduce violent crime and drug offenses. This provides a wonderful opportunity to coordinate district PSN efforts with the established programs of Weed & Seed. To determine if a PSN local project is covered by a W&S site, please visit <http://www.weedandseeddatacenter.org/map.aspx>.
- Grant funds are not disbursed by check along with the grant award package. Funds must be "drawn down" using OJP's paperless system. Questions regarding how and when to draw down funds can be found in the award package or by calling the Office of the Comptroller's HelpDesk at 800/458-0786 or by emailing them at askoc@ojp.usdoj.gov.

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