



FEMA

MEMORANDUM

To: Homeland Security/Preparedness Grantees

From: Paul F. Ford 
Acting Regional Administrator
U.S. Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Region I

Date: March 25, 2010

Subject: Concerns Regarding Catering Costs

Though limited catering services may be allowable under some Homeland Security/Preparedness grant programs, catering services should be used conservatively and must be reasonable, as well as integral to the meeting, training or conference in which they are used. Region I is concerned about the use of catering services among some of our grantees, as well as the reasonableness of some of these costs.

Therefore, we wish to further clarify Federal regulations regarding the use of catering services so that our grantees do not risk having these costs disallowed in the future. Catering costs are an allowable expense as long as the **primary** purpose of the event (such as a meeting, training and/or conference) is the dissemination of technical information. *2 CFR Part 225 Appendix B Section 27*

Grantees should also consider the timing of the event and whether food and beverages are readily available for purchase before considering catering services. Meals should never be provided unless it is a full day event and the participants present will be working through the meal time. In these cases, the grantee should maintain a participant list as well as an agenda in order to prevent these costs from being questioned during an audit or financial review. In addition, Federal and State employees should also either decline these meals or deduct them from their per diem.

Also, catering costs associated with entertainment or employee morale are not allowable costs. Alcoholic beverages are also never an allowable expense in regards to Homeland Security Preparedness awards.

Lastly, though we understand that catering costs may be allowable under Federal regulations, all of our grantees are also subject to state guidelines regarding the use of catering services and we would encourage you to also look at your own state policies and procedures before procuring catering services to ensure that you are in compliance with both Federal and State guidelines.

Should you have any questions regarding this memo, please contact either Lynn Wright, my Grants Services Branch Chief, at 617-832-4786 or lynn.wright@dhs.gov or Dana Bourne, Grants Management Specialist, at 617-832-4786 or dana.bourne@dhs.gov.

cc: Lynn Wright, DHS/FEMA Grant Services Branch Chief