



U.S. ELECTION ASSISTANCE COMMISSION  
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## **ALLOWABLE USE OF FUNDS: PHYSICAL SECURITY SERVICES AND SOCIAL MEDIA THREAT MONITORING**

In April 2022, the U.S. Government Accountability Office (GAO) responded to the U.S. Election Assistance Commission's (EAC) request for an opinion on the lawful use of funds made available to states under HAVA and subsequently appropriated by Congress. The determination regarding the allowability of states to use HAVA Section 101 funds for physical security services and social media threat monitoring responds to the increase in threats made against federal, state and local election officials.

The EAC has previously provided guidance on using HAVA grant funds to improve election cybersecurity defenses and the physical security of election equipment and facilities. The EAC has determined that the same guidance applies to physical security services and social media threat monitoring. Federal grant expenditures must be allowable, allocable, reasonable and necessary. The following parameters apply in determining the proper application of this under HAVA grant funds:

### **ALLOWABLE**

The authority to use these funds falls under the allowable purpose in HAVA Section 101(b)(1)(B) - "improving the administration of elections for federal office". To be allowable under a grant, costs must be necessary, reasonable and allocable to the grant. An allowable cost is one that is necessary and reasonable for the proper and efficient performance and administration of the activities funded under the grant.

### **ALLOCABLE**

Because *federal* is specifically mentioned in 101(b)(1)(B) of HAVA, the costs of any activities charged must be properly allocated between federal and non-federal activities. The method of cost allocation will vary depending on the circumstances involved. An allocable expense is one that is directly related to the objectives and activities planned under the grant and included in the approved budget for the grant. See 2 CFR 200.404. State recipients who need to request a budget revision may do so through the EAC's Grants office.

A cost is allocable to the grant if the goods or services involved are chargeable or assignable to the award in accordance with relative benefits received. The direct cost allocation principles described in [2 CFR § 200.405](#) also apply. "If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then ... the costs may be allocated or transferred to benefitted projects on any reasonable documented basis." A state recipient must determine the proportions, that may be approximated, using reasonable methods to determine the benefit to the allowable purpose.

### **REASONABLE and NECESSARY**

State recipients who are considering expenses related to physical security services must document any existing security measures available, an assessment of cost of various options to establish

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reasonableness, and allocation of costs in proportion to the benefit to the improvement of the administration of federal elections.

The security services and online threat monitoring can be classified as necessary expenses for the protection and security of facilities and personnel engaged in grant activities in accordance with [2 CFR 200.457](#), specifically, the grant activity of improving the administration of federal elections, as such the costs are allowable.

Although an activity may achieve the end goal of improving the administration of federal elections, the necessity for that activity could be questioned when a less expensive but equally effective activity is available for use. An expense would likely not be considered reasonable if a less expensive but equally effective alternative was available. There may be other security options that are more reasonable cost solutions and/or options that provide protection that allows for the improved administration of federal elections. States must document how they assessed their security strategy is the most reasonable solution. A cost is considered reasonable if, by its nature and amount, it does not exceed what a prudent person would pay under the circumstances. This can be based on frequency of use, actual cost for the products, and other relevant factors. Expenditure towards physical security services and social media threat monitoring would be analyzed similarly to other expenditures for reasonableness. See [2 CFR 200.404](#).

## **SUPPLANTING**

In general, funding for any activity must not supplant state funds. Allowable costs would not include security services that are currently paid for with state or local election jurisdiction funds, such as state or local law enforcement who are regularly retained for security purposes. See 2 CFR 200.403.