



FEMA Public Assistance

**Keys to Successful
Financial Cost Recovery
for Disasters**

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- Public Assistance Basics
 - Program Delivery Model
 - Cost Eligibility
 - Reasonable Costs
 - Force Account Labor
 - Equipment and Supplies
 - Procurement and Contracting
 - Duplication of Benefits
 - Ineligible Costs
 - Preparation for Audits & Avoiding Audit Findings
 - Document Retention

- **FEMA**

- Federal Awarding Agency

- **Recipients**

- The State, Territorial, or Tribal Government that Receives and Manages the Federal Award

- **Applicants**

- Entities Submitting a Request for Assistance Under the Recipient

- **Sub-recipients**

- Applicants who have Received a Subaward

Roles & Responsibilities (Cont'd)



1. Applicant/Recipients

- States, federally recognized tribes and territories are eligible applicants for HMA programs.
- The applicant is responsible for soliciting sub-applications from eligible sub-applicants and assisting in the preparation, review and submission of eligible and complete sub-applications to FEMA.
- Applicants receive HMA awards. When assistance is awarded, the applicant then becomes the recipient and a pass-through entity.

2. Sub-applicants/Subrecipients

- The sub-applicant is a state-level agency, local government, federally recognized tribe or other eligible entity that submits a sub-application for FEMA assistance to the applicant.
- If HMA is awarded, the sub-applicant becomes the subrecipient and is responsible for managing the subaward and complying with program requirements and other applicable federal, state, local, tribal or territorial laws and regulations.

4 Basic Components of Eligibility



1. Applicant

- state, territory, tribe, local government, or certain type of private nonprofit organization

2. Facility

- a building, public works system, equipment, or improved and maintained natural feature

3. Work

- "emergency" or "permanent"

4. Costs

- expenses tied directly to eligible work

Eligible Types of Work



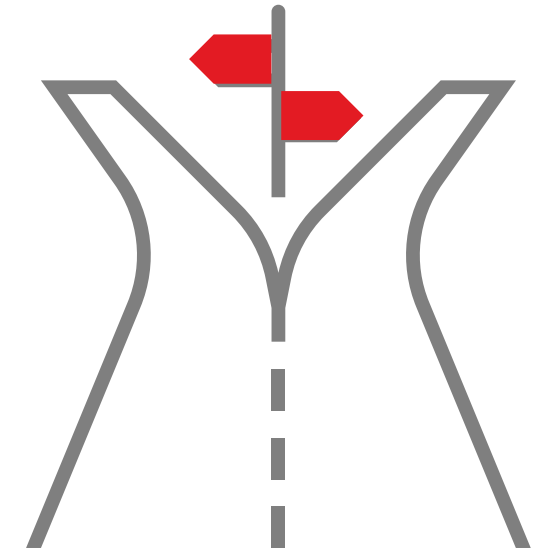
- **Emergency Work**
 - **Category A:** Debris Removal
 - Example: Broken Trees Limbs over Sidewalks
 - **Category B:** Emergency Protective Measures
 - Example: Emergency Access, Medical Care and Transport
- **Must Be Completed Within 6 Months**



Eligible Types of Work



- **Permanent Work**
 - **Category C:** Roads and Bridges
 - **Category D:** Water Control Facilities
 - **Category E:** Public Buildings and Equipment
 - **Category F:** Public Utilities
 - **Category G:** Parks, Recreational, and Other Facilities
- **Must Be Completed Within 18 Months**



■ Applicant Coordination and Evaluation

- Presidential Declaration
- Applicant Briefings
 - Grants Portal Orientation
- Register for PA Grants Portal Access
- Submit Requests for Public Assistance
- Program Delivery Manager (PDMG) Assigned
 - Exploratory Call
 - Recovery Scoping Meeting

■ Impacts and Eligibility

- 60 Days from Recovery Scoping Meeting to Identify Disaster Related Impacts
- Development of Project Applications
- Site Inspections
 - DDD (Damage Description and Dimensions)

■ Scoping and Costing

- Damage Description and Dimensions
- Scopes of Work
 - Hazard Mitigation Proposals
- Project Budget & Costs
- FEMA Reviews Documentation
 - Document Integrity and Quality Assurance
 - Compliance with Laws and Regulations
 - Duplication of Benefits

■ Final Reviews

- FEMA Project Application Review
 - Completeness
 - Eligibility
 - Compliance
- FEMA Approval
- Recipient Review
- Applicant Review
 - Subgrant Conditions
 - Agreement Signature

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- **Obligation and Recovery Transition**
 - FEMA Obligates Funds to the Recipient
 - Recipient Disburses Funding to the Applicant
 - Recovery Transition Meeting (RTM) Scheduled
 - After All Projects are Signed by Applicant
 - Recipient Becomes POC for Applicant

■ Post-Award Monitoring and Amendments

- Quarterly Financial & Progress Reports
 - Recipients are required to submit quarterly financial and progress reports to FEMA as a condition of their award acceptance throughout the period of performance, including partial calendar quarters, as well as for periods where no award activity occurs.
 - Future awards and fund drawdowns may be withheld if these reports are delinquent, demonstrate a lack of progress or are insufficient in detail. Recipients are also required to submit closeout reports, which consist of the final financial and performance reports.
- Amendment Requests
 - Scope of Work
 - Project Costs
 - POP Extension

Eligible Costs Must Be:

- Tied Directly to Eligible Work
- ***Adequately Documented***
- Not Duplicated (Insurance, etc.)
- Authorized as part of the approved Scope of Work
- Follow Laws and Regulations
- Necessary and Reasonable

Reasonable Costs

- **Reasonableness is Determined by:**
 - Ordinary and Necessary (Skill Level)
 - Ethical Practices
 - Established Practices
 - Procurement Compliance
 - Current Market Price

Reasonable Costs

- **Documenting Reasonable Costs**
 - Current Market Price
 - Historical Documentation
 - Average Costs
 - Published Unit Costs
 - Unique Services or Level of Effort
 - Shortages or Procurement Challenges

Reasonable Costs

- **FEMA Checklist**

- Verifies Valid Estimate
- Verifies Scope of Work

- **Unreasonable Costs**

- Disallow All or Part

Applicant (Force Account) Labor

- **Reimbursed by:**
 - Actual Hourly Rates
 - Actual Fringe Benefits
 - % of Hourly Rate
 - Different Calculation for OT

Applicant (Force Account) Labor

▪ Labor Documentation

- Summary of Costs
- For Each Employee:
 - Name
 - Job Title and Function
 - Type of Employee
 - Days and Hours Worked
 - Pay Rates and Fringe Rate
 - Description of Work

Applicant (Force Account) Labor

■ Labor Documentation

- Timesheets (when requested)
- Fringe Benefit Calculations
- Pay Policy



Fringe Benefits Calculation

DEPARTMENT OF HOMELAND SECURITY
 Federal Emergency Management Agency
APPLICANT'S BENEFITS CALCULATION WORKSHEET

O.M.B. Control Number: 1660-0017
 Expires: June 30, 2020

PAPERWORK BURDEN DISCLOSURE NOTICE

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APPLICANT		PA ID #
DISASTER	PROJECT #	
FRINGE BENEFITS (by %)	REGULAR TIME	OVERTIME
HOLIDAYS		
VACATION LEAVE		
SICK LEAVE		
SOCIAL SECURITY		
MEDICARE		
UNEMPLOYMENT		
WORKER'S COMP.		
RETIREMENT		
HEALTH BENEFITS		
LIFE INS. BENEFITS		
OTHER		
TOTAL IN % ANNUAL SALARY		
COMMENTS		
I CERTIFY THAT THE INFORMATION ABOVE WAS TRANSCRIBED FROM PAYROLL RECORDS OR OTHER DOCUMENTS WHICH ARE AVAILABLE		
NAME	TITLE	DATE

Applicant-Owned and Purchased Equipment

- **Applicant-Owned (Force Account)**

- Hourly Rates for Equipment
- Mileage for Vehicles

- **Applicant Purchased**

- Purchase Price
- Equipment Rates
- Actual Fuel and Maintenance



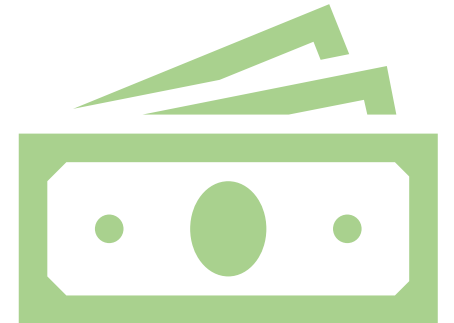
Applicant-Owned and Purchased Equipment

■ Cost Documentation

- Type of Equipment and Attachments Used
- Size/Capacity
- Locations and Days/Hours Used (Usage Logs)
- Operator Name
- Schedule of Rates, Including Rate Components
- Invoices or Receipts (Purchased Equipment)

Applicant-Owned and Purchased Equipment

- **Equipment Rates**
 - FEMA Rates
 - State, Territorial, or Tribal Rates
 - Local Rates
 - Equipment with No Established Rate



Leased Equipment

- **Cost Analysis Must Be Performed**
- **Total Leasing Costs < Purchase & Maintenance**
 - Evaluation of Reasonableness
- **Lease-Purchase Agreement**
 - Hourly Equipment Rate

Leased Equipment

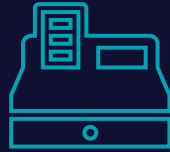
■ Cost Documentation

- Lease Agreements
- Invoices or Receipts
- Locations and Days Used
- Hours Used (Hourly Rate Lease Agreement)
- Fuel Costs (if not included in rental cost)

Supplies

- **Purchased for Response or Recovery**
- **Applicant's Stock Used for Incident**
 - Invoices
 - Established Method of Price Inventory
 - Historical Data/Prices from Area Vendors

Cost Documentation



Purchased Supplies

- Receipts or Invoices
- Quantities Used
- Justification



Supplies from Stock

- Invoices or Cost Records
- Inventory Records
- Types of Supplies and Quantities Used
- Location Used

Procurement and Contracting Requirements

- **State and Territorial Applicants (2 C.F.R. § 200.317)**
 - Procurement
 - Must Follow Local Procurement Policies in addition to all Federal & State policies
 - Contracting
 - Provisions in 2 C.F.R. § 200.327 in All Contracts
 - T&M, Cost+%, %Construction may be allowed (High Risk)

Procurement and Contracting Requirements

- **Tribal and Local Government Agencies and PNPs**
 - Must Follow Most Restrictive Requirements:
 - Documented Procurement Procedures
 - SLTT Laws and Regulations
 - Federal Laws and Regulations
 - Pre-Procurement
 - Establish Written Procurement Procedures
 - Maintain Written Standards for Conflicts of Interest

Procurement and Contracting Requirements

- **Tribal and Local Government Agencies and PNPs**
 - General Federal Procurement Requirements
 - 2 C.F.R. § 200.318 through 200.327
 - Procurement Methods
 - Micro-purchase
 - Small Purchase Procedure
 - Sealed Bid
 - Competitive proposal
 - Noncompetitive Proposal

Procurement and Contracting Requirements

- **Tribal and Local Government Agencies and PNPs**
 - Noncompetitive (Sole Source) Documentation
 - Description of Product or Service
 - Explanation for Noncompetitive Procurement
 - Length of Contract for SOW
 - Steps Taken to Determine Sole Source
 - Conflicts of Interest Identified
 - Any Other Justification

Procurement and Contracting Requirements

- **Tribal and Local Government Agencies and PNPs**
 - Allowable Contract Types
 - Fixed Price
 - Cost-Reimbursement
 - Time & Materials
 - Contracts typically not allowed due to risk factors
 - Cost-Plus-Percentage-of-Cost
 - Percentage-of-Construction

Procurement and Contracting Requirements

- **Tribal and Local Government Agencies and PNPs**
 - Contract Documentation
 - Procurement Policy
 - Procurement Documents
 - Cost or Price Analysis
 - Contracts, Change Orders, Summary of Invoices
 - Dates Worked
 - Contractor Oversight (T&M Contracts)

Mutual Aid

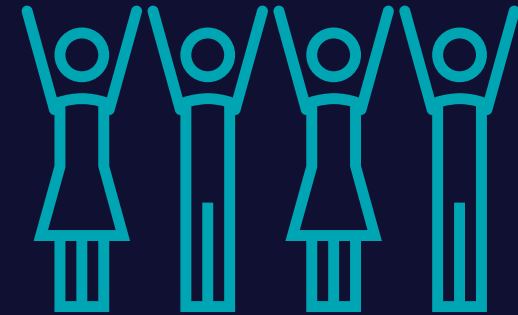
■ Cost Documentation

- Written Agreement
- Services Requested and Received
- Labor, Equipment, and Supplies Records
- Invoices

Donated Resources

▪ **Volunteers Hours**

- Sign-in Sheet
- Name
- Title and Function
- Days and Hours Worked
- Location of Work and Work Performed



Donated Resources

■ Equipment

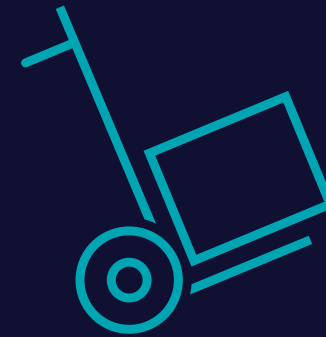
- Type of Equipment and Attachments Used
- Size/Capacity
- Locations and Days/Hours Used (Usage Logs)
- Operator Name
- Schedule of Rates, Including Rate Components
- Who Donated Equipment



Donated Resources

■ Supplies or Materials

- Quantity Used
- Who Donated
- Locations Used
- Invoices or Other Documentation for Value



Duplication of Benefits

- **Insurance Proceeds**
- **Non-Federal Grants and Cash Donations**
- **Third-Party Liability**
- **Other Federal Awards**

Duplication of Benefits

■ Insurance Proceeds - Documentation

- Summary of Insurance Coverage
- Actual Insurance Proceeds
- General Property Insurance Policy
- Flood Insurance Policy
- Wind Policy
- Auto Insurance Policy
- Insurance Settlement Information

Duplication of Benefits

■ Non-Federal Grants and Cash Donations

- May Be Used Towards Non-Federal Cost Share
- If Not Applied to Non-Federal Cost Share, FEMA Reduces Eligible Costs by Duplicated Amount
- If Funds Exceed Non-Federal Cost Share, FEMA Reduces Eligible Costs by Excess Amount

Duplication of Benefits

- **Third-Party Liability**

- FEMA Requires Reasonable Efforts to Pursue Claims
- FEMA Reduces Eligible Costs by Recovered Amount

- **Other Federal Awards**

- Duplication of Benefits

- **Duplication of Funding Between FEMA Programs**

- Individual Assistance
- Public Assistance
- Hazard Mitigation Grant Program

- **Example:**

- IHP Assistance for Debris Clearance for Privately-Owned Road and PA Funding for Debris Clearance from the Same Road for Emergency Vehicle Access

Ineligible Costs

- **Loss of Revenue**
- **Loss of Useful Service Life**
- **Tax Assessments**
- **Increased Operating Costs**

Audit Requirements

- **Recipients and Subrecipients are subject to Federal and non-Federal audits.**
- **Records are subject to audit by:**
 - **State or Territorial government auditors**
 - **FEMA**
 - **The U.S. Department of Homeland Security Office of Inspector General**
 - **U.S. Government Accountability Office (GAO)**
- **FEMA may adjust project funding due to audit findings.**
- **Proper documentation throughout your project will assist in audit preparation.**

Audit Types

- **Single Audits (\$750,000 threshold)**
- **Government Accountability Office (GAO) – authority to audit any project**
- **Office of the Inspector General (OIG) – part of the Department of Homeland Security. Conducts independent audits and investigations on FEMA programs.**
- **Recovery of Improper Payments – Audit assessments on drawdowns**

Document Retention

- **Subrecipients must maintain all source documentation for each project for three (3) years after the date of transmission of the final expenditure report for project completion as certified by the Recipient.**
- **The Recipient must keep all financial and program documentation for three (3) years after the date it submits the final SF-425.**
- **There are several exceptions to this timeframe that may require longer retention periods, including exceptions relating to real property and equipment disposition, audits, and litigation.**
- **Additionally, SLTT government laws may require longer retention periods.**

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- FEMA, Process of Public Assistance Grants. Available at: <https://www.fema.gov/assistance/public/process>
 - FEMA, Public Assistance Program and Policy Guide, Version 4, Effective June 1, 2020. Available at: https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf

Questions?



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Contact Information

Thank You!