Wakeup Call

• No Bridges
• No Telephone
• No Cellular Service
• No Electrical Power
• No Cable / Internet
• No Gasoline
• No Diesel
• No Water
I WANT YOU to read the rules
Stafford Act (legislation)
44 CFR (Code of Federal Regulations)
Public Assistance Guide
Public Assistance Policy Digest
9500 series FACT SHEETS
Look!

Kittens!

KNOWLEDGE

IT'S NOT ALWAYS A BAD THING
Context of Stafford Act Fund

- Last Resort Funding Assistance
  - PARTIAL Reimbursement
  - After Insurance Proceeds
  - After Other Program Funds (FHWA, USDA)

- Hypersensitive to EPA / SHPO issues

- Repair/Restore damaged facilities
  - Not remodel or improve

- Subject to GAO rules
1. Disaster strikes
2. PDA
3. Declaration
4. FEMA
5. RPA
6. Kickoff Meeting
7. Site Visit/Project Formulation
8. Project Worksheets
9. Projects funded
10. Project closeout and Audit
HUMOR
GET A SENSE OF IT AND USE IT TO KEEP YOU SANE
General Program Eligibility
Eligible Work Criteria

- Required as a result of declared disaster
- Located in designated disaster area
- Legal responsibility of eligible applicant
- No other Federal agency has specific authority
Sure, it's fun to soar up high and look over the big picture. But success lays in understanding situational specifics and getting the detail right.
Documentation:

- Labor
- Equipment
- Materials
- Contracts
- Mutual Aid Agreements
- Insurance policies
- Pay policies
- Invoices / cancelled checks
Project Worksheets

Project Worksheets are FEMA funding

Grant Applications
Project Worksheet (PW)

- Used to document:
  - Damages
  - Scope of work
  - Estimates eligible cost

- Minimum PW is $1,000

- Applicant’s participation is vital
Project Worksheets

- Cannot be < $1,000
- Damage Description
- Scope of Work
- Cost Estimate
- Preliminary Environmental Review Form
- Maps
- Sketches
Small Project or Large Project

Annually updated $60,900 is the fiscal year 2008 threshold amount
Small Projects Reimbursements

- Less than $60,900
- Paid when obligated
- Subject To FEMA Insurance Review
- Subject to State Closeout
Large Projects
Reimbursements

- Must submit Requests for Reimbursement as work is completed
  - along with Summary of Documentation
MY PW IS COMPLETED,
NOW WHAT?
SHOW ME THE MONEY!
My project worksheet is written, when will I receive my funds?
FEMA
&
STATE REVIEW
PW WRITTEN
PW OBLIGATED
FUNDS RECEIVED
ALL DONE, RIGHT?
WRONG!

LARGE PROJECT CLOSEOUT
What is A Large Project Closeout?

- Certify...
- that all recovery work is completed
- that all eligible costs have been reimbursed
- Ensure that applicant has received all funding available under the law
UNEXPECTED SURPRISES
TRY TO AVOID THEM AT CLOSE OUT
Audit Findings Resulting in Loss of Funding

- Failure to adequately describe work performed
- Claiming indirect costs
- Lack of documentation for fringe benefits
- Leave time
- Inability to reconcile equipment hours
- Failure to provide clear audit trail
- Failure to segregate ineligible work
- Applicant fails to gain permission for Alternate or Improved projects
Key Closeout Documents

- Landfill permits / TDRS Permits
- Proof of competitive bidding
- Proof of scope of damage
- Compliance with all FEDERAL laws
  - EPA, OSHA, Economic Equality
- Compliance with Federal GRANT requirements
- Proof of no other funding source available
The Stafford Act, Section 312 indicates that the PA Program cannot duplicate benefits, such as proceeds from an insurance policy. Therefore, FEMA is required to reduce the amount of assistance for eligible work by the amount of any actual or anticipated insurance proceeds available for that work.
“Disaster assistance will not be provided for damages covered by insurance. Disaster assistance provided by FEMA is intended to supplement assistance from other sources; therefore, insurance proceeds should be an applicant’s first alternative for disaster assistance. An adjustment for the amount that should be received from insurance coverage is required even if the applicant has not completed negotiations with the insurer.” (per Response and Recovery Directorate Policy Number 9523.2 dated Oct. 30, 2000)
Deal with the insurance carrier as if FEMA does not exist
Insurance Carrier

Submit claim for all damages

Resubmit claim if $$$ increase
Documents Needed Initially

Property Insurance policy

and

Statement of Values

in effect at time of loss
Documents needed for closeout

Current property policy
Statement of Values
Statement of Loss
Denial Letter
Statement of Loss/Denial Letter

Must be from the insurance carrier
Closeout

Anticipated Insurance should become Actual Insurance
Insurance Commitments

>$5,000 per facility
Disaster Relief Funding Agreement

Article III, C

“....agrees to procure insurance sufficient for the type or types of hazards for which the disaster was declared .....”
Insurance Purchase
Requirements

No insurance commitment

No insurance required
Insurance Purchase Requirement

Same Hazard (i.e. Wind)

Same Facility

Amount of Commitment
Prior Disaster Reduction

vs.

Insurance Commitment
“As a condition of receiving Federal assistance, the applicant must obtain and maintain insurance at least in the amount of eligible damage to protect against future loss to such property from the same peril for the life of the project”

Policy Digest – page 76
Insurance Commitment

Obtain and Maintain - no gaps

Policy and Statement of Values
INSURANCE COMMITMENT

Compliance is not an option
LOSE CURRENT
and
FUTURE FUNDING