



# Federal Emergency Management Agency

Washington, D.C. 20472


1. **Date Published:** July 20, 2000
2. **Response and Recovery Directorate Policy Number:** 9525.7
3. **Title:** Labor Costs – Emergency Work
4. **Purpose:** This policy provides guidance on the eligibility of labor costs for an applicant's permanent employees who perform emergency work under Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (Stafford Act).
5. **Scope and Audience:** This policy is applicable to all major disasters and emergencies declared on or after the publication date of this policy. This policy is intended for Federal Emergency Management Agency (FEMA) personnel making eligibility determinations for the Public Assistance Program.
6. **Background:**
  - A. On October 14, 1993, a Code of Federal Regulations change went into effect relative to the eligibility of straight time labor salaries for an applicant's permanent employees performing emergency work. The change made the force account labor straight time salary for work under Section 403 and 407 ineligible under the Public Assistance Program. The basis for this policy was that such salaries would be incurred whether or not the disaster occurred.
  - B. By oversight, the change to the regulation did not include emergency work accomplished under Sections 418 (Emergency Communications), 419 (Emergency transportation) and 502 (Federal Emergency Assistance) of the Stafford Act. FEMA intends to propose an additional change to the Code of Federal Regulations to correct the omission. In the interim, the ineligibility of straight time salaries for emergency work under Sections 418, 419 and 502 is to be included as a provision of the FEMA-State Agreement.
  - C. Labor (straight time, overtime, and fringe benefits to the extent the benefits were being paid before the disaster) performed under Section 406 (permanent work) of the Stafford Act remains eligible.
  - D. This policy will be amended in the coming months to address the eligibility/ineligibility of the costs for backfill employees. In the interim, questions on that topic should be forwarded to FEMA headquarters.

## 7. Policy:

- A. Sections 403, 407, 418, 419, and 502 of the Stafford Act. The cost of straight time salaries and benefits of an applicant's permanently employed personnel are not eligible in calculating the cost of eligible emergency work.
  - B. FEMA-State Agreements will stipulate the ineligibility of straight time salaries and benefits of an applicant's permanently employed personnel performing emergency work (categories A and B).
  - C. Seasonally employed personnel, when covered under existing budgets and used for a disaster during the season of employment, are considered permanently employed for the purpose of cost eligibility.
  - D. Straight time and overtime will be determined according to the applicant's written policies and labor union contracts in effect prior to the disaster.
  - E. The costs of salaries and benefits for individuals sent home or told not to report due to emergency conditions are not eligible for reimbursement. However, extraordinary costs for essential employees who are called back to duty during administrative leave to perform disaster-related emergency work are eligible if the costs were provided for in the written policy prior to the disaster.
  - F. Costs of contractors hired to accomplish emergency work are eligible for reimbursement. However, straight time salary and benefits of force account labor overseeing contractors performing emergency work are not eligible in calculating the cost of eligible emergency work.
  - G. The value of volunteers accomplishing eligible emergency work can be credited toward the non-Federal cost share of the applicant's emergency work in accordance with the Donated Resources Policy, 9525.2.
  - H. Permanent employees who are funded from an external source (e.g., by a grant from a Federal agency, statutorily dedicated funds, rate-payers, etc.) to work on specific non-disaster tasks may be paid for emergency work. However, the FEMA region is to consult with FEMA headquarters before approving payment.
8. **Supersession:** Relevant portions of memo from Larry W. Zensinger to Regional Directors, dated November 19, 1993, Subject: Eligibility, Force Account Labor, and relevant provisions of previous public assistance policy documents on this subject.
9. **Authorities:** The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended; 44 CFR 206.228(a)(4).
10. **Originating Office:** Infrastructure Division, Response and Recovery Directorate.

**11. Review Date:** Five years from date of publication.

**12. Signature:**



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**13. Distribution:** Regional Directors, Regional and Headquarters R&R Division Directors