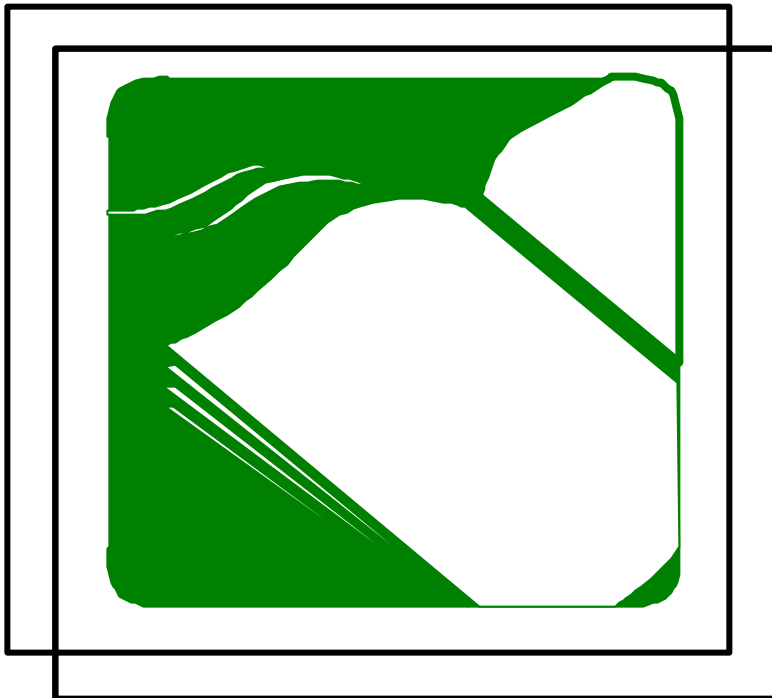
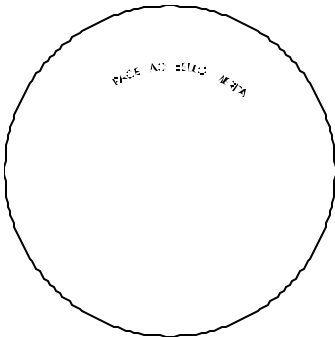


October 1999



**Hazard  
Mitigation  
Grant  
Program  
Desk  
Reference**





**Purpose of This Desk Reference**

The purpose of this Desk Reference is to:

- ✍ Provide comprehensive information about FEMA's Hazard Mitigation Grant Program (HMGP);
- ✍ Increase awareness of the HMGP as an integral part of statewide hazard mitigation efforts; and
- ✍ Encourage deeper commitments and increased responsibilities on the part of all States and communities to reduce damage and losses from natural disasters.

This Desk Reference is organized to simplify program information and assist the reader with practical guidance for successful participation in the program.

Lists of program-related acronyms and definitions are included, along with appendices that amplify selected aspects of the HMGP.

**Organization of This Manual**

This Desk Reference is organized into 14 sections, each of which presents a major HMGP subject area.

In each section, information is presented on the right side of the page. Headings on the left side of the page identify the topics and subtopics covered in the section and serve as visual bookmarks.

In several sections, job aids containing supplemental material are provided. The job aids for each section can be found at the end of the section.

At the front of each section, there is a detailed table of contents to help you locate specific information.

Please contact your Regional Office for assistance in locating the Code of Federal Regulations and OMB circulars referenced throughout the text.

The table that follows describes each section of the document.

**Section 1: Introduction to the HMGP**

This section presents the intent and goals of the HMGP, and eligible program applicants.

**Section 2: Building State Capability: Before the Disaster**

This section positions the HMGP among the State's ongoing mitigation activities and examines the State Hazard Mitigation Plan and Administrative Plan.

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<b>Section 3: After a Disaster Occurs</b>	This section presents the sequence of events that should follow a Presidential declaration of disaster and lead to program participation.
<b>Section 4: Hazard Mitigation Grant Program Availability</b>	This section describes the manner in which potential HMGP funds are identified, requested, and obligated.
<b>Section 5: Identifying and Selecting Grant Projects</b>	This section discusses strategies for identifying potential projects and criteria for selecting projects.
<b>Section 6: The Application Process</b>	This section describes the format, timelines, and review procedures for HMGP applications.
<b>Section 7: Project Eligibility</b>	This section provides examples of eligible and ineligible projects and presents the five minimum criteria for eligibility.
<b>Section 8: Environ- mental Review</b>	This section provides compliance guidance for environmental, historical, and archaeological consideration of proposed projects.
<b>Section 9: Cost- Effectiveness</b>	This section examines the necessity and methodology for benefit-cost analysis.

<b>Section 10: Appeals</b>	This section describes the process through which an applicant may appeal a project decision.
<b>Section 11: Project Implementa- tion Require- ments</b>	This section describes the community's and State's responsibilities and obligations that follow the grant award.
<b>Section 12: Allowable Project Costs</b>	This section examines various project costs and distinguishes those that are allowable from those that are not.
<b>Section 13: Administra- tive/Grants Management</b>	This section reviews administrative and grants management methods.
<b>Section 14: Closeouts and Audits</b>	This section reviews closeout procedures for individual projects and the program.
<b>Section 15: Acronyms</b>	This section defines the most common acronyms used in the discussion of the HMGP.
<b>Section 16: Definitions</b>	This section defines the most common terms used in the discussion of the HMGP.
<b>Using This Desk Reference</b>	<p>Mitigation personnel should use this manual to help them carry out their HMGP-related responsibilities in a consistent and standardized manner.</p> <p>To locate information, first go to the main table of contents to determine which section of the manual to consult. Next, refer to the detailed table of contents within each section to locate more specific information.</p>





Thank you for your interest in the Hazard Mitigation Grant Program Desk Reference. This document is an interim version. If you have any comments about this document, please contact the:

Federal Emergency Management Agency  
Mitigation Directorate  
Program Support Division  
500 C Street S.W., Room 417  
Washington, DC 20472





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# **Section 1: Introduction to the Hazard Mitigation Grant Program**





Section 1: Introduction to the Hazard Mitigation Grant Program

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**The Hazard Mitigation Grant Program: An Evolving Resource**

FEMA's Hazard Mitigation Grant Program is a powerful resource in the combined effort by Federal, State, and local government, as well as private industry and homeowners, to end the cycle of repetitive disaster damage.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act was passed on November 23, 1988, amending Public Law 93-288, the Disaster Relief Act of 1974. The Stafford Act included Section 404, which established the Hazard Mitigation Grant Program. In 1993, the Hazard Mitigation and Relocation Act amended Section 404 to increase the amount of HMGP funds available and the cost-share to 75 percent Federal. This amendment also encouraged the use of property acquisition and other non-structural flood mitigation measures.

**One Tool in the State's Ongoing Mitigation Program**

In an effort to streamline HMGP delivery, FEMA encourages States to develop their mitigation programs before disaster strikes. States are adopting a more active HMGP management role. Increased capabilities may include:

- ✍ Conducting comprehensive all-hazard mitigation planning prior to disaster events;
- ✍ Providing applicants technical assistance on sound mitigation techniques and hazard mitigation policy and procedures;
- ✍ Coordinating mitigation programs through interagency teams or councils.
- ✍ Conducting benefit-cost analyses; and
- ✍ Preparing National Environmental Policy Act reviews for FEMA approval.

States that integrate the HMGP with their frequently updated State Administrative and Hazard Mitigation Plans will create cohesive and effective approaches to loss reduction. This type of coordinated approach minimizes the distinction between "pre-disaster" and "post-disaster" time periods, and instead produces an ongoing mitigation effort.

**Intent**

Hazard mitigation is any sustained action taken to reduce or eliminate long-term risk to people and property from natural hazards and their effects.

A key purpose of the HMGP is to ensure that the opportunity to take critical mitigation measures to protect life and property from future disasters is not lost during the recovery and reconstruction process following a disaster.

Program grant funds available under Section 404 of the Stafford Act provide States with the incentive and capability to implement mitigation measures that previously may have been infeasible.

## Section 1: Introduction to the Hazard Mitigation Grant Program

### Goals

The goals of the HMGP are twofold:

### Three Types of Eligible Applicants

The State is responsible for soliciting applications from eligible applicants, assisting in the preparation and prioritization of those applications, and managing the approved projects. All interested applicants, with the exception of Native American tribes, must apply to the State.

The following types of entities are eligible to apply to the State for HMGP funding:

- ✍ State and local governments;
- ✍ Private non-profit organizations or institutions; and
- ✍ Native American tribes and Alaskan Native villages.

### State and Local Governments

The State Hazard Mitigation Officer or Mitigation Team should contact affected local governments and pertinent State agencies to solicit potential applications. Agencies involved in natural resources, geologic hazards, floodplain management, parks and recreation, infrastructure regulation or construction, and community development may have projects that help support hazard mitigation objectives.

### Private Non-Profit Organizations or Institutions

Private non-profit organizations or institutions that own or operate a private non-profit facility as defined in 44 CFR 206.221(e) are eligible.



Each non-profit applicant must provide either:

- ✍ An effective ruling letter from the U.S. Internal Revenue Service granting tax exemption under Section 501(c), (d), or (e) of the Internal Revenue Code of 1954, as amended; or
- ✍ State certification, under State law, of non-profit status.

FEMA encourages local governments to partner with non-profit conservation and land trust organizations for open-space property acquisition projects.

### Native American Tribes or Alaskan Native Villages

Tribes or authorized tribal organizations and Alaskan Native villages or organizations are eligible to apply for the HMGP.

Many States act as grantee on behalf of Native American tribes, providing technical assistance and administrative coordination. However, if the tribe prefers, it may apply directly to FEMA.

Alaskan Native corporations with ownership vested in private individuals are not eligible to apply.

## **Section 2: Building State Capability: Before the Disaster**





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**Integration  
of Hazard  
Mitigation  
Planning**

When a State views the State Hazard Mitigation Plan, the State Administrative Plan, and the Hazard Mitigation Grant Program as three elements of a whole, the mechanisms are present to design, implement, and fund the statewide vision of damage reduction.

**State Hazard  
Mitigation  
Plan: The  
Design  
Mechanism**

The Stafford Act, Section 409, requires each State to conduct an evaluation of existing natural hazards statewide, and the risks that they pose. This evaluation, known as the State Hazard Mitigation Plan, helps to identify beneficial hazard mitigation measures.

States use the hazard mitigation planning process to set short- and long-range mitigation goals and objectives. The plan links ongoing State activities such as implementation of State-FEMA Performance Partnership Agreements and development of disaster-resistant communities. After a disaster declaration, heightened interest and available funding sources create increased opportunities for mitigation.

The State Hazard Mitigation Plan may take any form including a component of a comprehensive State mitigation strategy. The Hazard Mitigation Plan may include a specific list of mitigation measures that the State would like to implement. If kept current, the Hazard Mitigation Plan will capture evolving risks to State populations and resources, prioritize types of mitigation measures, and serve as a ready-made wish list when HMGP or other (State, local, private, Federal, etc.) funds are available.

**State  
Administrative  
Plan: The  
Implemen-  
tation  
Mechanism**

The State Administrative Plan is a procedural guide that details how the State will administer the HMGP. States must have a current Administrative Plan approved by the FEMA Regional Director before receiving HMGP funds.

The Administrative Plan may also take any form including a chapter within a comprehensive State mitigation program strategy.

**Hazard  
Mitigation  
Grant  
Program: The  
Funding  
Mechanism**

The HMGP may provide a State with an amount equal or up to 15 percent of the total disaster grants awarded by FEMA after a major disaster declaration to fund measures identified in the State's Hazard Mitigation Plan. These grants may fund up to 75 percent of eligible mitigation measures. The State or local government provides the remaining 25 percent cost-share from non-Federal sources.



**TIP: See Section 13 for cost-share details.**

**Submission/  
Approval of  
the State  
Hazard  
Mitigation  
Plan**

Ideally, States will have their Hazard Mitigation Plans up to date when disaster strikes. If not, the State will forward the Hazard Mitigation Plan or update to FEMA within 180 days of the date of the disaster declaration. With written justification from the State, extensions up to 365 days after the disaster declaration may be granted. Because HMGP funding is linked to the plan, early completion can streamline HMGP delivery.

FEMA's Regional Director will, in writing, acknowledge receipt of the plan, indicate whether the plan is approved, and detail any suggested improvements.



Details for this requirement are in 44 CFR 206 Subpart M.

**Submission/  
Approval  
Deadlines for  
the Adminis-  
trative Plan**

The State may forward an administrative plan to the Regional Director at any time prior to a disaster declaration or immediately after and request approval. Because an approved administrative plan is a prerequisite of receiving HMGP funds, it is expeditious for the State to keep the plan updated. Independent of the frequency of disaster declarations, each State should review and update the plan at least annually. Annual updates are an eligible activity under FEMA's annual cooperative agreement with the State.

The State may update the State Administrative Plan after each major disaster declaration. Updates, amendments, or plan revisions should be submitted to the FEMA Regional Director for review. However, if the Regional Director has approved the plan or updates within the previous 12 months, no update is required.





If the State determines that its current plan does not require changes, the State should notify FEMA within 90 days after the disaster declaration.

**Using NEMIS**

The State Administrative Plan module in the National Emergency Management Information System (NEMIS) stores and provides subsequent access to State Administrative Plans received by FEMA. The system is a tool for administrative plan review. This includes tracking of the approval date of each received plan.

**Contents of  
the State  
Administra-  
tive Plan**

The Administrative Plan describes how the State will manage the HMGP in the event of a disaster. At a minimum, the plan will:

-  Designate the State agency that will act as grantee;
-  Identify the State Hazard Mitigation Officer;
-  Identify staffing requirements and resources; and
-  Establish procedures to guide certain administrative activities.

The required contents are listed in 44 CFR 206.437.



The following paragraphs will explain these components in greater detail.

Job Aid 2-1, Checklist for Preparing the State Administrative Plan, appears at the end of this section.



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**Designation of the Grantee Agency**

Typically, the agency designated to act as grantee manages the State responsibilities for Federal and State disaster assistance and, in many States, is responsible for meeting the hazard mitigation planning requirement. While a single agency may administer the funding, the Governor may establish an interagency team to manage the State mitigation program.

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**Identification of the State Hazard Mitigation Officer**

The State Hazard Mitigation Officer is usually responsible for managing the State's mitigation program, coordinating the mitigation team or council, and planning activities. After a disaster, the State Hazard Mitigation Officer manages the HMGP and serves as FEMA's mitigation liaison. Ongoing responsibilities and HMGP duties may overlap immediately after a disaster. Therefore, the State Hazard Mitigation Officer should ensure that there is adequate staff to address the State's mitigation responsibilities.

---

**Identification of Staffing Requirements and Resources**

The State may wish to designate the minimum number of personnel, with type of position, needed for the program; however, the organizational structure of the staff should remain flexible and capable of expansion as necessary. Some key staff positions include:

- ~~///~~ Clerical, administrative, and financial management support;
- ~~///~~ Assistants and program specialists to assist with grant program activities;
- ~~///~~ Program specialists qualified to conduct benefit-cost analyses; and
- ~~///~~ Environmental planners.

States often rely on staff from the emergency management agency, other State agencies, or the State Hazard Mitigation Team to augment the efforts of the State Hazard Mitigation Officer.

In large events, States may need to hire temporary or contract staff to administer the HMGP effectively. The plan should outline a procedure for expanding staff resources and utilizing State management costs.



**TIP: See Section 13 for more information on State management costs.**

States should contact FEMA regional office staff or the Emergency Management Institute to identify scheduled training that will increase management ability. Training opportunities include workshops on benefit-cost analysis, the National Environmental Policy Act, and grants management. To the extent possible, these costs should be reflected in the State's request for management cost funding.



## Section 2: Building State Capability: Before the Disaster

### **Procedures To Guide Implementa- tion Activities**

In the Administrative Plan, the State must establish procedures to guide the following 13 activities:

- ✍ Identify and notify potential applicants of the availability of the program.
- ✍ Ensure that potential applicants are provided information on the application process, program eligibility, and key deadlines.
- ✍ Determine applicant eligibility.
- ✍ Provide information for environmental and floodplain management reviews in conformance with 44 CFR Parts 9 and 10.
- ✍ Establish priorities for selection of mitigation projects.
- ✍ Process requests for advances of funds and reimbursements.
- ✍ Monitor and evaluate the progress and completion of selected projects.
- ✍ Review and approve cost overruns.
- ✍ Process appeals.
- ✍ Provide technical assistance as required to subgrantees.
- ✍ Comply with the administrative requirements of 44 CFR Parts 13 and 206.
- ✍ Comply with audit requirements of 44 CFR Part 14.
- ✍ Provide quarterly progress reports to the Regional Director on approved projects.



### **Developing a Statewide Commitment to Hazard Mitigation**

While interest in hazard mitigation is keenest just after a natural disaster, States should actively encourage year-round dialog on mitigation issues among interested parties statewide.

Project Impact can be an important part of a local community's and State's mitigation strategy. It is an initiative that helps communities protect themselves from the devastating effects of natural disasters by taking actions that dramatically reduce disruption and loss.

Project Impact operates on a common-sense, damage-reduction approach:

- ?? Preventive actions must be decided at the local level.
- ?? Private-sector participation is vital.
- ?? Long-term efforts and investments in prevention measures are essential.

Working with these local and private-sector partners, States can offer expertise and technical assistance to help build disaster-resistant communities. Strategies include efforts at the national and regional level, as well as working with other Federal agencies and States.

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**State Hazard  
Mitigation  
Team: A  
Valuable  
Resource**









There are many advantages for States that establish State hazard mitigation teams. Individual members bring their varied backgrounds, specialized expertise, and perspectives together to create interagency, interdisciplinary insight. Mitigation issues often cross agency boundaries and require multi-agency coordination to achieve resolution. The interagency aspect of the team diffuses political pressure on the grantee agency and eases the burden of resources.

Typically, State hazard mitigation teams include, but are not limited to, agencies involved with:

- ~~///~~ Emergency management;
- ~~///~~ Natural resources;
- ~~///~~ Floodplain management;
- ~~///~~ Environmental issues and historic and archeological preservation;
- ~~///~~ Soil conservation;
- ~~///~~ Transportation;
- ~~///~~ Planning and zoning;
- ~~///~~ Housing and economic development;
- ~~///~~ Building regulations;
- ~~///~~ Infrastructure regulations or construction;
- ~~///~~ Public information; and
- ~~///~~ Insurance.

**Role of the  
State Hazard  
Mitigation  
Team**

Teams meet regularly and more frequently after a disaster. Team activities include:

-  Identifying the State's vulnerability to hazards;
-  Reviewing existing mitigation plans and prioritizing recommendations;
-  Developing or updating hazard mitigation plans required under 44 CFR 206 Subpart M; and
-  Developing a comprehensive strategy for the development and implementation of a State mitigation program;
-  Building public and business/industry support for mitigation initiatives;
-  Reviewing, assigning priority, and recommending mitigation actions for implementation, including measures to be funded under the HMGP or other Federal grant programs;
-  Seeking funding for implementation of mitigation measures; and
-  Preparing periodic status reports for the Governor and State legislature.



The State may also request local governments to appoint a mitigation point of contact to assist with both HMGP and planning activities.

Many States have established interagency review boards or selection teams to assist with reviewing, prioritizing, and recommending projects for HMGP funding. These activities may be conducted by the State hazard mitigation team, or an expanded group that may include representatives from the State team, in addition to regional and local government officials and other public or private sector organizations.



**TIP: States that do not have a State hazard mitigation team should refer to Chapter 4 of the [Post-Disaster Hazard Mitigation Planning Guidance for State and Local Governments \(DAP-12\)](#) for detailed guidance on the development of State hazard mitigation teams.**



### **Checklist for Preparing the State Administrative Plan**

This checklist may be useful when preparing your State's HMGP Administrative Plan. Use it to verify that all required plan components are included and complete.

#### **Legal Authorities**

Does your State plan:

† † Include the legal basis in Federal and State law **and also** the Federal and State regulations that implement the laws, including:

- ?? Federal financial regulations?
- ?? Federal insurance requirements?
- ?? State financial regulations?
- ?? Procurement code?
- ?? The Governor's executive orders?
- ?? Stafford Act and other applicable Federal laws?

† † Indicate that the State has the level of knowledge of the laws, regulations, and executive orders so that the State is able to develop methods and procedures to meet legal and audit requirements?

#### **Definitions**

Does your State plan:

† † Define words, phrases, abbreviations, and acronyms relevant to HMGP program management (including program and financial definitions)?

† † Define or explain unique and/or unfamiliar words and phrases so that the plan user can have a complete understanding of the section containing those words and/or phrases?





**Checklist for Preparing the State Administrative Plan (Continued)**

---

**Responsibilities**

Does your State plan:

- † † Detail the organization framework for HMGP program management?
- † † Clearly delineate who is responsible for each phase of program management?
- † † Explain the relationships between and among major management elements, including the:
  - ?? Governor's Authorized Representative?
  - ?? State Hazard Mitigation Officer?
  - ?? State hazard mitigation team or council?
- † † Include how each major element becomes a part of the management team?
- † † Identify the grantee organization and SHMO?
- † † Include the staffing pattern that will be used at the Disaster Field Office?

**Project Identification**

Does your State plan:

- † † Describe the methods by which projects will be identified?

**Applicant Information**

Does your State Plan:

- † † Include application notification procedures that ensure due process to all applicants?
- † † Provide for timely notification of applicants?
- † † Specify the methods for providing technical assistance to applicants?
- † † Include procedures to maintain the timely flow of the application and supplemental information between the State and the applicant?
- † † Include required contents of a preapplication and procedures for submittal to the State Hazard Mitigation Officer?
- † † Specify the due date of the application?





### **Checklist for Preparing the State Administrative Plan (Continued)**

#### **Review, Ranking, and Selection of Projects**

Does your State plan provide details about:

- † † Who will review, select, and rank the projects?
- † † The selection criteria? (**Note:** See 44 CFR 206.434 and 206.435.)
- † † The criteria for ranking the projects that are forwarded to FEMA?
- † † The schedule for project submission to FEMA and how exceptions will be handled?

#### **Eligibility Requirements for Applicants and Projects**

Does your State plan:

- † † Provide a detailed listing of eligibility requirements to ensure due process by making it clear who can apply and projects that can be considered?
- † † List or cite the Federal eligibility criteria?
- † † Explain additional eligibility criteria established by the State (if applicable)?
- † † Identify resources and procedures for conducting environmental reviews?
- † † Identify resources and procedures for conducting benefit-cost analyses?

#### **Appeals**

Does your State plan address:

- † † The types of appeals that can be made?
- † † Elements common to all appeals, including:
  - ?? Who may appeal the decision?
  - ?? The appeal format?
  - ?? The time schedule for an appeal?
  - ?? The actual appeal process?





**Checklist for Preparing the State Administrative Plan (Continued)**

---

**Funding and Grants Management**

Does your State plan include explanations of:

- † † The cost-sharing formula (i.e., Federal, State, local, or other)?
- † † Source and calculations used to determine the State and local shares?
- † † When work should start on an approved project, when work should be completed, and acceptable extensions to the target completion date?
- † † Procedures that the State will follow if progress toward completion of an approved project is inadequate?
- † † Procedures to follow to change the scope of work on a project?
- † † Records maintenance and retention procedures for both the State and subgrantees?
- † † Is your State plan detailed enough to ensure continuity and provide an audit trail?

Does your State plan include:

- † † Procedures for the advance or reimbursement of funds to subgrantees, including the amount of advances and the flow of forms and funds?
- † † Procedures for handling cost overruns, including the approval process, required documentation, and the flow of forms and funds?
- † † Procedures for handling cost underruns, including the required documentation and the flow of forms and funds?
- † † Documentation procedures that subgrantees must use?
- † † Procedures for monitoring progress, including site visits?





**Checklist for Preparing the State Administrative Plan (Continued)**

**Data Management System**

Does your State plan include information about how you will handle:

- † † Individual project files?
- † † The declaration master file?
- † † Reports, including:
  - ?? HMGP funding balance reports?
  - ?? Quarterly progress reports to FEMA?
  - ?? Quarterly financial reports to FEMA?
  - ?? HMGP status reports?
  - ?? Project/application tracking reports?

**Audit Requirements**

Does your State plan:

- † † References 44 CFR Part 14 and OMB Circular A-133?
- † † Describe the coordination between the State Hazard Mitigation Officer and the Governor's Authorized Representative to ensure that audits are performed and reviewed?
- † † Include review procedures for audits and the actions to take if there are exceptions or adverse findings?
- † † Procedures for the State Hazard Mitigation Officer to request an audit of any project from the Governor's Authorized Representative?







**Checklist for Preparing the State Administrative Plan (Continued)**

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**Closeout Procedures**

Does your State plan include project closeout procedures, including copies of the:

- † † Letter confirming final inspection and payment to the applicant?
- † † Letter to the FEMA Regional Director from the Governor's Authorized Representative requesting that FEMA close the project? Note: This letter must include the following information and/or enclosures:
  - ?? The project name, Federal project number, and State identification number.
  - ?? A financial summary of the project.
  - ?? Certifications
    - † † Of all eligible funds paid to the subgrantee;
    - † † That all work was completed according to FEMA requirements;
    - † † That all costs were incurred as the result of eligible work.
    - † † That all work was completed in accordance with provisions of the FEMA-State and State-local agreements.
    - † † That all payments were made according to Federal and State legal and regulatory requirements.
    - † † That no bills are outstanding.
    - † † That no further requests for funding will be made for the project.

Does your State plan include program closeout procedures, including:

- † † Documentation that all projects are closed?
- † † The requirements that records be retained for a period of 3 years from the date that the request for program closeout is submitted to FEMA?

**Plan Review**

Does your State plan:

- † † Explain when and why the plan will be reviewed and revised?
- † † Provide for FEMA review of the plan (or for notification that the State's review did not result in revisions)?





**Checklist for Preparing the State Administrative Plan (Continued)**

---

**Appendices**

Does your plan include any appendices that are necessary to assist in program administration? Sample appendices could include copies of:

- † † The executive order and letter appointing the State hazard mitigation team or council.
  - † † Sample press releases.
  - † † A sample agenda for the HMGP briefing at the Disaster Field Office or in the field.
  - † † The State's application form.
  - † † The State-Local Disaster Assistance Agreement/Certification.
  - † † The quarterly progress and financial report formats.
  - † † The names of State hazard mitigation team or council members with addresses and phone/fax numbers.
  - † † Items to take to the Disaster Field Office.
  - † † Items to include in the project and disaster files.
  - † † A sample letter of the State's participation in the HMGP.
  - † † A copy of the subgrantee procedures for grant administration.
  - † † State-specific procedures or requirements for specific project types.
  - † † Sample closeout letters.
- 





## Section 3: After a Disaster Occurs





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**The Declaration Process**

In spite of increasingly effective hazard mitigation, natural disasters will still cause losses. When the recovery process is beyond the capability of the State and local emergency management agencies, Federal assistance can provide both relief and opportunity.

Presidential declaration of a major disaster may now trigger the availability of Hazard Mitigation Grant Program funds in every county within the State, instead of only those designated for Individual or Public Assistance.

The Governor may request that all counties be designated eligible for HMGP funds when he or she requests a major declaration by the President through the Regional Director.

The process of requesting that FEMA designate areas for disaster assistance is detailed in 44 CFR 206.40.



**Letter of Intent**

Regulations require the State to provide a Letter of Intent within 60 days after a disaster declaration that tells FEMA whether or not the State will participate in the HMGP. This requirement is satisfied if the Governor asks for the HMGP in the declaration request.

The Regional Director is also authorized to extend the 60-day Letter of Intent deadline if he or she determines the extension is justified. The State should request such an extension in writing.



**Job Aid 3-1**

Job Aid 3-1 contains a sample Letter of Intent for your reference.

**State Responsibilities**

The State has primary responsibility for project management and accountability of funds. The State is responsible for ensuring that applicants and subgrantees adhere to all program and administrative requirements.

The State should envision the HMGP as an opportunity to fund the implementation of the State Hazard Mitigation Plan.

After indicating that it will participate in the Hazard Mitigation Grant Program, the State should ensure that:

**Approved Plans**

~~///~~ The Regional Director has approved the State's Hazard Mitigation Plan documenting its comprehensive mitigation planning process;

~~///~~ The Regional Director has approved the State's administrative plan for implementing the HMGP;

**State Hazard Mitigation Officer**

~~///~~ The State has appointed a State Hazard Mitigation Officer who will administer the HMGP during the time of its availability;

(Experience shows that a full-time, permanent State Hazard Mitigation Officer is better able to implement a successful post-disaster mitigation program.)

## Section 3: After a Disaster Occurs

---

### **Sufficient Staff**

- ~~///~~ The State has staff qualified to:
    - ?? Update their mitigation plan with a post-disaster mitigation strategy;
    - ?? Provide applicants with technical assistance on sound mitigation techniques and HMGP policy and procedures; and
    - ?? Understand the National Environmental Policy Act and related Federal environmental requirements, and perform required analyses if necessary.
- 

### **Key State Activities**

- Once the program is underway, key State activities include:
- ~~///~~ Soliciting program interest and helping potential applicants to develop complete applications;
  - ~~///~~ Reviewing and selecting grant proposals from eligible applicants;
  - ~~///~~ Preparing and submitting applications to FEMA;
  - ~~///~~ Notifying applicants of FEMA decisions on submitted projects; and
  - ~~///~~ Submitting quarterly financial and progress reports to FEMA indicating the status and completion date for each approved project.
- 

### **Managing States**

In an effort to streamline the HMGP and provide States more flexibility, FEMA is examining the roles and responsibilities for HMGP administration. FEMA has proposed a Managing State arrangement for those States that have the capability and would like to assume a stronger management role in the HMGP.

Under a Managing State arrangement, FEMA will accept the State's eligibility and benefit-cost determinations made in accordance with the terms in a Memorandum of Understanding. This includes a list of eligible project types that the State and FEMA negotiated prior to signing the Memorandum. Although States will be encouraged to prepare environmental documentation for each project, a FEMA official must sign and approve the documentation, as such authority cannot be delegated to a State in accordance with the National Environmental Policy Act.

The State then submits a project summary sheet to FEMA for each project. FEMA's review of project summary sheets, rather than the entire application packet, should significantly expedite the project approval process.

---

### **Sufficient Staff for Managing States**

- The managing State has staff qualified to perform the tasks above, *as well as*:
- ~~///~~ Conduct eligibility reviews;
  - ~~///~~ Conduct and review benefit-cost analyses using FEMA-approved methodology; and
  - ~~///~~ Develop documentation to comply with environmental requirements for FEMA approval.



**Key Managing  
State  
Activities**

Key responsibilities of the managing State include:

- ✍ Soliciting program interest and helping potential applicants to develop complete applications;
- ✍ Reviewing and selecting grant proposals from eligible applicants;
- ✍ Ensuring eligibility of submitted applications;
- ✍ Conducting benefit-cost analyses to determine whether the project meets the criteria listed in 44 CFR 206.434(b)(5);
- ✍ Developing documentation to comply with the environmental requirements for FEMA approval;
- ✍ Dispersing funds to applicants after the State has determined a project meets program eligibility requirements, including cost-effectiveness, per FEMA guidance and FEMA has approved the required environmental documentation;
- ✍ Administering the HMGP consistent with program law, regulations, and policy guidance;
- ✍ Providing quarterly performance and financial reports to FEMA; and
- ✍ Approving all funding to applicants within 24 months of the disaster declaration or returning uncommitted funds to the general fund.

A chart of State responsibilities is provided in Job Aid 3-2.

Job Aid 3-3 illustrates the required State activities, timeframes, and authorizing document(s).



**Job Aid 3-2  
and 3-3**

**Applicant/  
Subgrantee  
Responsibilities**

Applicants are responsible for submitting complete, accurate project applications to the State. An applicant becomes a subgrantee if the proposed measure is selected as an approved project. The subgrantee, then, is responsible for:

- ✍ Managing the implementation of the approved project;
- ✍ Complying with HMGP requirements, grants management procedures in 44 CFR Part 13, the grant agreement, and applicable Federal, State, and local laws and standards;
- ✍ Accounting for the appropriate use of grant funds to the grantee State; and
- ✍ Maintaining records on the program and projects as required by 44 CFR 13.42.



**44 CFR Part 13  
44 CR 13.42**

**Federal  
Respon-  
sibilities**

---

The paragraphs below list some of the key responsibilities of FEMA personnel regarding HMGP.

---

**Regional  
Director  
Respon-  
sibilities**

---

The FEMA Regional Director is responsible for:

- ~~///~~ Overseeing and managing the HMGP;
  - ~~///~~ Assisting the State in setting priorities for the use of HMGP funds in the aftermath of a disaster; and
  - ~~///~~ Approving or denying applications for funding by the State.
- 

**Regional  
Mitigation  
Staff  
Respon-  
sibilities**

---

The FEMA regional Mitigation staff serves as the point of contact for the State Hazard Mitigation Officer. FEMA regional Mitigation staff members are responsible for:

- ~~///~~ Keeping the State apprised of the anticipated amount of available funding;
  - ~~///~~ Reviewing and evaluating submitted applications or project summaries and States' determinations of eligibility;
  - ~~///~~ Coordinating with the Regional Environmental Officers to prepare the environmental decision document based on information submitted by the applicant and State;
  - ~~///~~ Notifying the State in writing of application decisions;
  - ~~///~~ Providing technical assistance to States, applicants, and subgrantees in order to ensure effective and efficient implementation of the program, including:
    - ?? Assisting with the identification of appropriate projects;
    - ?? Assisting with project applications, specifically environmental and floodplain management considerations and project cost-effectiveness; and
    - ?? Providing technical information from appropriate experts, as necessary;
  - ~~///~~ Reviewing the State's quarterly reports and following up on issues as necessary.
- 

**Native  
American  
Tribe  
Grantee  
Authority**

---

A Native American tribe or tribal organization has the option to submit applications directly to the Regional Director. If a tribe would like to act as grantee, it should notify FEMA as soon as possible after the disaster declaration. Upon project approval, the Native American tribe becomes the grantee and designates an equivalent to the Governor's Authorized Representative.

FEMA will then estimate the amount of HMGP Funding available to the tribe based on the amount of other disaster grants provided to the tribe.



*Sample Letter of Intent*

*Governor's Authorized Representative for \_\_\_\_\_ (State) \_\_\_\_\_  
Division of Disaster Emergency Services*

FCO, FEMA Region \_\_\_\_\_  
xxx Main Street  
Anywhere, USA XXXXX

This letter is to notify you that \_\_\_\_\_ (State) \_\_\_\_\_ intends to participate in the Hazard Mitigation Grant Program, which is available subsequent to the Federal disaster declaration, FEMA- \_\_\_\_\_ -DR- \_\_\_\_\_ on \_\_\_\_\_ (date) \_\_\_\_\_ .

I have designated \_\_\_\_\_ (name) \_\_\_\_\_ as the Hazard Mitigation Officer for the Hazard Mitigation Grant Program. If you should have any questions concerning the State's participation, please contact \_\_\_\_\_ (name) \_\_\_\_\_ at \_\_\_\_\_ (phone) \_\_\_\_\_ .

Sincerely,

\_\_\_\_\_  
GAR



**Sample Responsibilities for HMGP**

Responsibilities for States under HMGP are shown in the table below, along with the tasks associated with each responsibility. Use this information as a guide for developing your State’s capabilities.

<b>RESPONSIBILITY</b>	<b>TASKS</b>
Manage the program	Setting program priorities: † † Indicating the program priorities in its State mitigation plan. Selecting applications to be funded: † † Maintaining an interagency, interdisciplinary coordination mechanism, such as a State team. Determining eligibility: † † Determining whether the proposed project is consistent with the program purpose and objectives. † † Conducting benefit-cost analyses to determine whether the project meets the criteria listed in 44 CFR 206.434(b)(5). † † Recommending to FEMA the level of environmental analysis required under 44 CFR Part 10. † † Coordinating with FEMA to conduct environmental analyses. † † Assisting FEMA in determining whether significant environmental impacts exist and, if so, how they might be avoided or reduced.
Provide technical assistance to applicants	† † Assisting in identifying potential mitigation projects. † † Assisting in identifying experts. † † Providing expertise in identifying and analyzing environmental issues and requirements. † † Assisting subgrantees in performing benefit-cost analyses using FEMA-approved methodology.



**Sample Responsibilities for HMGP (Continued)**

<b>RESPONSIBILITY</b>	<b>TASKS</b>
Provide quarterly performance and financial reports	Managing the day-to-day operations of grant- and subgrant-supported activities: † † Comparing actual accomplishments to the objectives to be accomplished for the period. † † Explaining the reason for slippage if the established objectives were not met. † † Providing additional pertinent information as appropriate. † † Informing FEMA of problems, delays, or adverse conditions that will materially impair the grantee's or subgrantee's ability to meet the project objectives. † † Monitoring subgrantee implementation. Preparing and submitting financial reports: † † Preparing SF 269, SF 269A, or FEMA Form 20-10 and submitting the form to FEMA no later than 15 working days following the end of each quarter. † † Preparing and submitting SF 270 or SF 271, as necessary, to report outlays and/or request reimbursements.
Closeout	† † Reconciling/adjusting project costs. † † Submitting final project report. † † Visiting site. † † Closing projects in program and financial systems.
Maintain records	† † Coordinating records retention with participating grantee agencies and subgrantees as necessary. † † Retaining records for 3 years from the date of submission of the final expenditure report.



**Authorities for State Activities Under the HMGP**

The table below includes major tasks and activities required under the Hazard Mitigation Grant Program and authorizing document(s) for each requirement. When a timeframe is critical to task performance, it is included also.

<b>TASK/ACTIVITY</b>	<b>APPROXIMATE TIMEFRAME*</b>	<b>AUTHORIZATION</b>
1. Appoint State Hazard Mitigation Officer	Pre-disaster	44 CFR 206.433(c)
2. Participate in the HM field survey	3–10 days	44 CFR 206.402(c)(3)
3. Coordinate with local jurisdictions regarding local HM Plans	15–20 days	44 CFR 206.402(c)(5)
4. Submit HMGP Administrative Plan	Preferably pre-disaster; prior to project approval	44 CFR 206.437
5. Submit application packages to prospective applicants	1–90 days	44 CFR 206.436
6. Conduct and review benefit-cost analyses using FEMA-approved methodology	30–180 days	Managing State guidance
7. Develop documentation to comply with environmental requirements for FEMA approval	30–180 days	Managing State guidance
8. Review, evaluate, and rank HMGP project proposals	30–180 days	44 CFR 206.435
9. Submit Hazard Mitigation Plan.	Preferably pre-disaster; 180 days	44 CFR 206.405(d)
10. Submit SF 424 application and project applications or summaries to FEMA for review and approval	30–270 days	44 CFR 206.436 OMB Circular A-102 1.c.1 44 CFR 13.10(a)(2)

\*Following declaration

Note: These timeframes are approximate and do not account for exceptions to regulatory deadlines, which might lengthen the timeline.





Job Aid 3-3

**Authorities for State Activities Under the HMGP (Continued)**

TASK/ACTIVITY	APPROXIMATE TIMEFRAME*	AUTHORIZATION
11. Disperse funds to applicants after the State has determined a project meets program eligibility requirements, including cost effectiveness, per FEMA guidance and FEMA has approved the required environmental documentation	30–270 days	Managing State guidance
12. Evaluate and monitor project implementation and completion according to schedule in grant agreement	Ongoing	44 CFR 13.40 44 CFR 206.438
13. Administer the HMGP consistent with program law, regulations, and policy guidance	Ongoing	Managing State guidance
14. Approve all funding to applicants within 24 months of the disaster declaration or return uncommitted funds to the general fund	24 months	Managing State guidance
15. Prepare and submit financial status reports	Quarterly	OMB Circular A-102 2.c 44 CFR 13.20(b)(1) 44 CFR 13.41(b) 44 CFR 13.41(c)
16. Prepare and submit performance reports	Quarterly	44 CFR 206.438(c)
17. Perform HMGP closeout	When all required work is complete; usually 2 years or less	OMB Circular A-102 3 44 CFR 13.50
18. Retain records	3 years from date of final submission	44 CFR 13.36(1)(11) 44 CFR 13.42(b) 44 CFR 13.42(c)

\*Following declaration

Note: These timeframes are approximate and do not account for exceptions to regulatory deadlines, which might lengthen the timeline.



Job Aid 3-3





# **Section 4: Hazard Mitigation Grant Program Availability**





## Section 4: Hazard Mitigation Grant Program Availability

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Available Assistance

The Hazard Mitigation Grant Program may provide a State with not more than 15 percent of the total estimated Federal grant assistance (excluding any associated administrative costs) provided under Sections 403, 406, 407, 408, 410, 411, 416, and 701 of the Stafford Act.

The total of Section 404 grants for project and management grants may not exceed the mitigation ceiling, but the subgrantee and grantee administrative costs (sliding scales from 44 CFR 206.439) do not count against the ceiling.<sup>1</sup>



These Federal grants may be used to fund up to 75 percent of an approved mitigation measure. States or local applicants provide non-Federal funds to pay for the remaining 25 percent of eligible project costs.



**TIP: Cost-sharing is discussed fully in Section 13.**

How the Award Limit Is Calculated

The ceiling is the guaranteed level of hazard mitigation project and management cost funding in a particular disaster. The FEMA regional Mitigation Division will coordinate the hazard mitigation estimated ceiling, lock-in ceiling, and final lock-in ceiling with the State.

FEMA's quarterly Disaster Finance Status Report is the mechanism for calculating the mitigation ceiling. It contains the Regional Director's projections for all of a region's declarations, including the projections data for other disaster programs. The Region may use the most recent or closest quarterly status report. The Disaster Finance Status Report is pre-encoded to perform these three steps:

1. Take the total Federal share of program costs for all relevant Stafford Act programs;
2. Remove any administrative costs; and
3. Multiply this total by 15 percent to automatically calculate the mitigation ceiling.

Timeframes for Lock-In of HMGP Ceiling

The following timeframe indicates the schedule for establishing the HMGP estimated ceiling and lock-in ceiling.

~~///~~ **3 Months:** The HMGP estimated ceiling will be established initially within 90 days of the disaster declaration. It will be maintained until the first ceiling review at 6 months.

~~///~~ **6 Months:** The estimate will be reevaluated based upon the ceiling calculated by the Disaster Finance Status Report. The lock-in ceiling will reflect any increase or decrease in the resulting estimate. Only at the time of this initial HMGP ceiling review shall a decrease in available funds be incorporated into the lock-in. Subsequent reviews will result in a change to the ceiling only when the review reflects an increase. This first lock-in represents the minimum amount of HMGP funds available for a given disaster.

<sup>1</sup> For disasters declared prior to 10/1/97 the management costs do not count against the HMGP ceiling.

## Section 4: Hazard Mitigation Grant Program Availability

### Timeframes for Lock-In of HMGP Ceiling (Continued)

~~12~~ **12 Months:** A final review of the lock-in ceiling will be conducted 12 months after the disaster declaration. The resulting estimate will impact the final lock-in amount only if it reflects an increase.

### Extensions to the Lock-In Ceiling Timeframe

The Regional Director may extend the timeframe to include an additional review at 18 months after the disaster declaration, if the State requests it and demonstrates that the disaster is so catastrophic that it is causing major fluctuations in the estimated ceiling. If the resulting estimate has increased, the final lock-in amount will reflect the increase.

### Application/ Submission Timeframe

States should complete the review and prioritization of subgrantee applications within 90 days after the State Hazard Mitigation Plan is approved. Generally this results in a deadline between 9 and 18 months after the disaster declaration, but the deadline rarely exceeds 18 months.

### Extensions

The Regional Director may extend the above timeframes in 90-day increments, in the event of extraordinary circumstances or to allow a State to adjust to an increase in the HMGP lock-in ceiling, upon written request from the State. Extensions beyond 18 months after the disaster declaration are to be granted in rare circumstances only.

### Timeframe for FEMA To Obligate Program Funds

Within 24 months of the disaster declaration, FEMA will make determinations on all applications and project summaries, and will complete all obligations for approved applications. FEMA will de-allocate any HMGP funds not obligated or committed to a pending project application after the 24-month obligation deadline has passed. The availability of unused funds expires at this time.



**TIP:** See page 13-12 regarding obligation of cost underrun funding to other approved projects.

### Extensions

The Regional Director may extend the deadline by 90 days, in the event of extraordinary circumstances, or to reflect extensions granted to the State.

## **Section 5: Identifying and Selecting Grant Projects**





## Section 5: Identifying and Selecting Grant Projects

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## Identifying Grant Projects



The State should use the identification procedures included in its Administration Plan to identify potential Hazard Mitigation Grant Program projects that are consistent with the State Hazard Mitigation Plan. Ideally, this should be accomplished by the State hazard mitigation team.

**TIP:** States that do not have a State hazard mitigation team should refer to [Chapter 4 of the Post-Disaster Hazard Mitigation Planning Guidance for State and Local Governments \(DAP-12\)](#) for detailed guidance on the development of State hazard mitigation teams.

## Setting State Priorities

A State committed to hazard mitigation will have adopted a proactive stance that is based in planning. Ideally, the State has pre-identified its statewide mitigation strategy and potential HMGP projects during the development of its up-to-date, comprehensive Hazard Mitigation Plan. Such a plan will expedite not only post-disaster mitigation funding, but also use of pre-disaster resources.

The State should submit project applications that reflect these planning objectives and strategies.

## Pre-Disaster Funding To Identify Projects

The State may use annual cooperative agreement funding to update or expand its Hazard Mitigation Plan. With this “ready” stance, the State need only examine the mitigation opportunities revealed by the latest disaster before final selection of potential projects is made.

## Early Implementation of Mitigation Strategies

Potential projects may be identified during the preliminary damage assessment or post-disaster hazard mitigation team process. The Interagency Hazard Mitigation Teams and Hazard Mitigation Survey Teams conduct site visits immediately after a disaster occurs and compile their recommendations for a mitigation strategy. This feedback often identifies immediate mitigation opportunities and enables early implementation of appropriate strategies.

Another activity that may assist in the identification of potential mitigation measures is the review of Project Worksheets for the Public Assistance Program. These inspection reports may identify site-specific issues as well as widespread problems. The State Hazard Mitigation Officer should discuss types of damage, eligible measures under the Public Assistance Program and HMGP, and potential applicants and projects with State and Federal Public Assistance Officers.

## Identify and Notify Potential Applicants

Following the identification of potential measures, the State should contact all potential applicants, notify them that HMGP funds are available, and provide application information.

Potential applicants include State agencies, local governments, private non-profit organizations, and Native American tribes.





## Section 5: Identifying and Selecting Grant Projects

### Notification Opportunities

Notification opportunities include:

### Notification Methods

Notification methods may include:

-  Public notices;
-  Statewide direct mail effort;
-  News releases; and
-  Formal meetings and briefings.

### Disseminate Full Information

Ensure that potential applicants receive information on the application process, program eligibility, and key deadlines.

The State Hazard Mitigation Officer is responsible for ensuring that the grant application submitted to FEMA is complete. It is in the State's interest that the State Hazard Mitigation Officer provide in-depth program information to all potential applicants so that their applications to the State are complete.

It is key for States to set clear priorities and encourage applicants to propose projects within those priorities. This can focus application submissions and reduce the State's review burden.

One effective manner to disseminate program information is through a Hazard Mitigation Grant Program Applicants Briefing. A sample Applicants Briefing Letter, Agenda for 1-Hour Presentation, and Pre-Application Form are included as Job Aids 5-1, 5-2, and 5-3, respectively.



Job Aid 5-1, 5-2, and 5-3



**TIP: Consult FEMA's HMGP Applicant Handbook for detailed guidance.**

**Selection  
Criteria**

Total applications from potential subgrantees often exceed the total amount of available grant funds. The State is responsible for reviewing and ranking potential projects by priority.

The State will use the criteria delineated in the Administrative Plan to thoroughly review all project applications. The State must ensure that all potential measures it selects:

- ☞ Meet minimum eligibility criteria. The selection criteria must comply with the minimum project eligibility under 44 CFR 206.434(b).



**TIP: Section 7 describes the five minimum criteria for project eligibility.**

- ☞ Meet minimum selection criteria. The projects must also meet the three minimum project selection criteria under 44 CFR 206.435(b).
  1. Best-fit within the overall development plan and/or the hazard mitigation plan for the area. The State should review appropriate plans, such as land use and comprehensive plans to ensure that the projects conform with State or local government planning objectives.
  2. Address severe detrimental impacts. Selected projects should be those that clearly reduce loss of life, loss of essential services, damage to critical facilities, or severe economic hardship.
  3. Have the greatest potential to reduce future losses after examining the alternatives available.

Other considerations the State may add to its evaluation criteria include:

- ☞ Repetitive history of damage at the site.
- ☞ Severity of hazard and vulnerability at the project location.
- ☞ Level of protection provided by the project.
- ☞ Measures designed to accomplish multi-objectives, including damage reduction, environmental enhancement, and economic recovery.
- ☞ The applicant community's participation in the National Flood Insurance Program, compliance record, and Community Rating System level.
- ☞ Protection of primary residences versus secondary homes and businesses.
- ☞ Whether property to be protected is covered by flood or hazard insurance.
- ☞ The applicant's ability to provide local cost-share.
- ☞ Local commitment and public buy-in.



Job Aid 5-1

### *Applicants Briefing Invitation Letter*

Letters should be sent to all potential applicants notifying them of the availability of funds under the Hazard Mitigation Program and inviting them to attend the Hazard Mitigation Grant Program Applicants Briefing. This letter provides general information on the program and includes scheduling information for the briefing.

Dear State and Local Government Agencies/Private Non-Profit Organizations/Native American Tribes and Tribal Organizations:

As a result of damage suffered recently in State, the President has declared State as a major disaster area. This disaster declaration makes Federal disaster assistance available to those counties in the disaster area. Federal disaster assistance is authorized under the Stafford Act.

The Stafford Act also authorizes the Hazard Mitigation Grant Program for all counties in the State. This program funds cost-effective hazard mitigation measures. Hazard mitigation is defined as sustained action taken to reduce or eliminate long-term risk to people and property from hazards and their effects.

Hazard mitigation projects should, therefore, reduce future disaster relief expenditures for the repair or replacement of public and private property, and expenditures for the relief of personal loss, hardship, and suffering. Federal funds are available for up to 75 percent of the cost of the hazard mitigation measure. To be eligible, projects must satisfy specific criteria.

A briefing on the Hazard Mitigation Grant Program will be held on date, time, at location. Eligible applicants include State and local government entities, private non-profit organizations, and Native American tribes. The briefing will provide an overview of the Hazard Mitigation Grant Program and will specifically address:

- ~~///~~ Eligibility Criteria;
- ~~///~~ Project Identification and Selection;
- ~~///~~ Application Process;
- ~~///~~ Project Management;
- ~~///~~ Technical Assistance; and
- ~~///~~ Available Funding.

For additional information, please contact name, title of the State emergency management agency at telephone number.

Sincerely,

State Director



Job Aid 5-1



***Agenda for 1-Hour Presentation***

I.	Welcome	
II.	Introduction	10 minutes
	A. Purpose and Objectives of Meeting	
	B. Explanation of Hazard Mitigation and the Hazard Mitigation Grant Program	
III.	Overview of Hazard Mitigation Grant Program	40 minutes
	A. Intent	
	B. Eligible Applicants	
	C. Project Eligibility	
	D. Project Identification	
	E. Project Selection	
	F. Available Funding	
	G. Technical Assistance	
	H. Application Schedule	
	I. Contact for Additional Information	
IV.	Questions and Answers/Conclusion	10 minutes



**Sample Pre-Application Form**

Date: _____	Disaster No: _____
Name of Applicant: _____	
Project Contact: (Name)	_____
(Title)	_____
(Agency)	_____
(Address)	_____
	_____
(Phone No.)	_____
Brief Description of Problems To Be Solved:	_____
	_____
	_____
	_____
	_____
Location of Project:	_____
	_____
Brief Description of Alternatives Under Consideration:	_____
	_____
	_____
Total Estimated Cost:	_____
Source(s) of Funding:	_____

## Section 6: The Application Process







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**Overview of Process**

The application process for the Hazard Mitigation Grant Program consists of the following steps:

1. The State notifies potential applicants of the availability of funds.
2. Applicants submit projects to the State.

Early on the State alerts FEMA of projects likely to be selected that will require detailed environmental review.

3. The State HMGP staff or team thoroughly reviews the projects submitted by potential subgrantees.

The State selects projects that best fit within its priorities and appear to be eligible.

4. The State submits selected projects to FEMA, in priority order. (Managing States forward only summaries, otherwise States send full applications to FEMA.)
5. FEMA reviews the application or the State's eligibility recommendation and environmental documentation.

6. If the application is approved, the State begins grant management.



Job Aid 6-1

The flowchart shown in Job Aid 6-1 summarizes the basic steps in the application process.

**Timeframes**

To ensure timely administration of the HMGP, FEMA and all States will follow the timeframes detailed below.

This is a review of timeframes presented in Section 4.

**Application Submittal**

The State will submit all selected local applications or summaries to the Regional Director within 90 days after the State Hazard Mitigation Plan is approved. (Approximately 9-18 months after disaster declaration.)

**Obligations**

The Regional Director will obligate all funding within 24 months after the disaster declaration.

**Funds Expire**

Any HMGP funds not obligated or committed to a pending project application after the 24-month obligation deadline expire, and are no longer available.

**Extensions**

The Regional Director may extend any of the above timeframes by 90 days, in the event of extraordinary circumstances, upon a written request from the State. The Associate Director for Mitigation may extend timeframes related to FEMA actions by 90 days, in the event of extraordinary circumstances, upon written request by the Regional Director.

## Section 6: The Application Process

### Application Timeframe

The flowchart shown in Job Aid 6-2 illustrates the chain of events and accompanying timeframes when application to the HMGP is made.



Job Aid 6-2

### Local Application to State

There is no standard form required for the local community application to the State for the HMGP. However, States may provide potential applicants with a State application form, a copy of this section, or the HMGP Applicant Handbook to encourage complete applications in a uniform format. NEMIS also provides a model application outline for State use. (See Job Aid 6-4.)



Job Aid 6-4

### The Project Application

There are 10 sections in the project application that must be completed by the applicant:

1. Applicant Information
2. Summary Project Information
3. Description of the Problem
4. Description of Applicant's Decision-Making Process
5. Project Description
6. Project Cost Estimate and Match Source
7. Maintenance Assurance
8. Cost-Effectiveness (Risk) Information
9. Environmental and Historical Considerations
10. Attachments

Subpart N requirement 44 CFR 206.434(b)(5)(iii) reads, in part: “. . . project has been determined to be the most practical, effective, and environmentally sound alternative after considering a range of options.”

Section 4 of the proposal should clearly demonstrate that other options were considered, and the reasons why they were not selected.



**TIP: Refer to the HMGP Applicant Handbook for further detail.**

### State Application to FEMA

The State makes a single application to FEMA representing all the local applications selected by the State in priority order. This application usually takes the form of Standard Forms 424 and 424d as a cover sheet, with the selected local applications attached. If the State does not send all local applications at one time, it may amend the initial application with an amended Standard Form 424 and additional local applications attached. Managing States submit project summaries instead of local applications. (See Job Aid 6-3 for a sample Standard Form 424.)



Job Aid 6-3

Some States send an SF 424 as a cover sheet for each project. This is not required.

## Managing States

For Managing States, FEMA's role in the review process is primarily to confirm the State's eligibility decisions. Applicants submit proposed projects to the State for thorough review and ranking. States forward project summaries to FEMA for review. Later, FEMA may review a sampling of applications during a joint State/FEMA program evaluation.

For those States that request it, FEMA continues to offer support in benefit-cost analysis and other areas, as needed. However, States are urged to hire and/or train staff to fully implement and manage the program.

FEMA retains primary responsibility for compliance with the National Environmental Policy Act and other Federal environmental laws and Executive orders. While the applicant and State submit the environmental research and analysis, FEMA approves the environmental decision document.

Instead of submitting full applications to FEMA, the Managing State forwards a project summary containing the following information:

1. Major disaster number from which mitigation funds will be obligated by FEMA.
2. A hazard mitigation project number.
3. FIPS code.
4. Project location.
5. U.S. Congressional District (Senators and Representatives).
6. Applicant name(s) (i.e., Community and POC information).
7. Brief description of the project.
8. List of alternatives considered (e.g., acquisition, elevation, drainage upgrade).
9. Total project cost.
10. Amount requested (Federal share).
11. Non-Federal cost-share amount and source (e.g., local, State).
12. Proposed performance period (completion date).
13. Reviews/Results: (See Job Aid 6-5 for State Review Results).

~~///~~ Certify that the State has reviewed and determined that this project is eligible.

~~///~~ Attach record of environmental review.

~~///~~ Attach benefit-cost summary sheet.



Job Aid 6-5

## Section 6: The Application Process

### NEMIS Application

The HMGP Application Development module of the National Emergency Management Information System enables each State to store project applications and submit them to FEMA regional personnel in digital format.

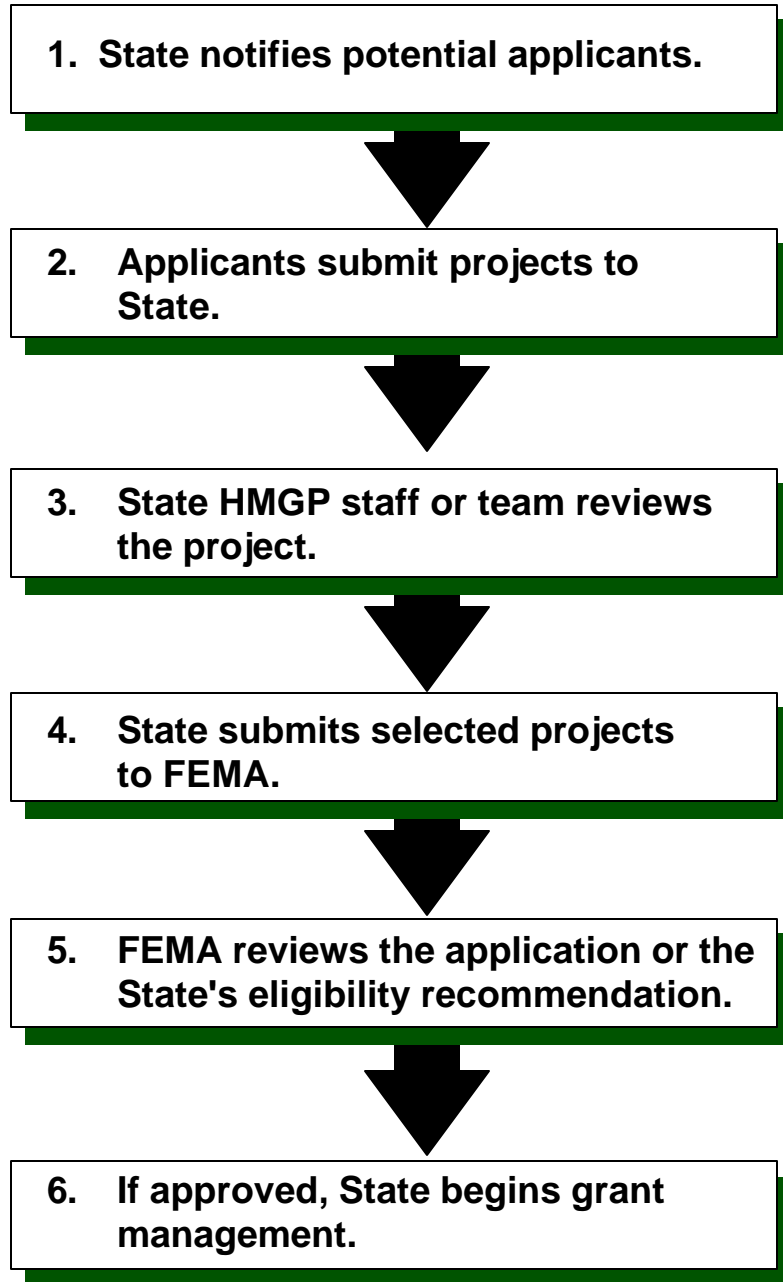
See Job Aid 6-7 for guidance on creating an application with NEMIS.



Job Aid 6-7



*Hazard Mitigation Grant Program Application Process*







SF 424, Application for Federal Assistance

**APPLICATION FOR FEDERAL ASSISTANCE**

OMB Approval No. 0348-0043

<b>1. TYPE OF SUBMISSION:</b> Application <input type="checkbox"/> Construction <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction <input type="checkbox"/> Non-Construction		<b>2. DATE SUBMITTED</b>	Applicant Identifier
		<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
		<b>4. DATE RECEIVED BY FEDERAL AGENCY</b>	Federal Identifier
<b>5. APPLICANT INFORMATION</b>			
Legal Name:		Organizational Unit:	
Address (give city, county, state, and zip code):		Name and telephone number of person to be contacted on matters involving this application (give area code)	
<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> [ ] [ ] - [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]		<b>7. TYPE OF APPLICANT: (enter appropriate letter in box)</b> <input type="checkbox"/>	
<b>8. TYPE OF APPLICATION:</b> <input type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision  If Revision, enter appropriate letter(s) in box(es) <input type="checkbox"/> <input type="checkbox"/>  A. Increase Award    B. Decrease Award    C. Increase Duration D. Decrease Duration    Other (specify): _____		A. State B. County C. Municipal D. Township E. Interstate F. Intermunicipal G. Special District  H. Independent School Dist. I. State Controlled Institution of Higher Learning J. Private University K. Indian Tribe L. Individual M. Profit Organization N. Other (Specify) _____	
		<b>9. NAME OF FEDERAL AGENCY:</b>	
<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b>  TITLE:    [ ] [ ] - [ ] [ ] [ ] [ ]		<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b>	
<b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b>			
<b>13. PROPOSED PROJECT</b> Start Date    Ending Date		<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant    b. Project	
<b>15. ESTIMATED FUNDING:</b>		<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b>	
a. Federal	\$ .00	a. YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:  DATE _____  b. NO. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
b. Applicant	\$ .00		
c. State	\$ .00		
d. Local	\$ .00		
e. Other	\$ .00		
f. Program Income	\$ .00		
g. TOTAL	\$ .00	<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b> <input type="checkbox"/> Yes    If "Yes," attach an explanation. <input type="checkbox"/> No	
<b>18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.</b>			
a. Type Name of Authorized Representative		b. Title	c. Telephone Number
d. Signature of Authorized Representative		e. Date Signed	

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Standard Form 424 (REV. 4-82)  
Prescribed by OMB Circular A-102



## Section 6: The Application Process



### *Project Application Checklist*

Use this checklist to ensure that an HMGP application is complete. The checklist will assist in the review and will speed the application process.

---

Applicant \_\_\_\_\_

Project Title \_\_\_\_\_

(Ensure that project title above matches that of the attached project application.)

#### **1. Applicant Information**

- † † What is the name of applicant organization?
- † † Is contact information for the applicant provided?
- † † Did the applicant check a (proper) category of eligible applicants from below?
  - ?? State or local government.
  - ?? Native American tribe
  - ?? Special governmental district
  - ?? Eligible private non-profit (PNP)
- † † If the applicant is a PNP:
  - ?? Is there a description of the legal status, function, and facilities owned?
  - ?? Is the State or Federal tax number and tax-exempt certificate provided?
- † † If the applicant is a Native American tribe:
  - ?? Is the appropriate tribal identification number or other proof of eligibility provided?
  - ?? "Standard Applicant Certifications and Assurances" (See your States' application.)
- † † Has the applicant signed the project application?
- † † Has the applicant provided the following additional information?
  - ?? Applicant's FIPS number for this disaster
  - ?? Applicant's NFIP participation, status, and compliance history
  - ?? List of all Project Worksheets that relate to this project, if any



**Project Application Checklist (Continued)**

**2. Summary Project Information**

- † † Does the project title adequately describe the proposed measure?  
(location and project type)
- † † Has the applicant estimated the total cost of the mitigation measure?
- † † Has the applicant specified the requested HMGP grant amount  
(Federal share)?
- † † Confirm and certify that the project is in conformance with the State Mitigation Plan required by  
Section 409 of the Stafford Act.

**3. Description of the Problem**

- † † Has the applicant written a narrative description of the existing problem that includes a brief  
narrative description of the existing problem, the location, the source of the hazard, and the  
history and extent of the damage?

**4. Description of Applicant's Decision-Making Process**

- † † Has the applicant described the process for selecting the project as the best solution to the  
problem?
- † † Are the alternative approaches that were considered listed?
- † † Has it been confirmed that the selection process used by the applicant was sufficient and  
included appropriate public notice and involvement?

**5. Project Description**

- † † Has the applicant written a narrative description of the mitigation measure?
- † † Does the application explain how and to what extent the project solves the problem?
- † † Is there a detailed scope of work with:
  - ?? Schematic plans and preliminary engineering specifications?
  - ?? Explanation if mitigation measure is a functional part of a bigger project?
  - ?? Property site inventory (especially residential retrofits and acquisitions)?
  - ?? Building construction date, condition, and renovation history?  
(if applicable)
  - ?? Maps of site/location (street, plat, flood, topographic)?

## Section 6: The Application Process

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### *Project Application Checklist (Continued)*

---

#### **5. Project Description (Continued)**

- ?? Photographs?
- ?? Work schedule (milestones, start/stop, limitations)?

#### **6. Project Cost Estimate and Match Source**

† † Ensure that the following are provided:

- ?? An estimate of the total mitigation project budget, including any items to be used as match;
- ?? Line-items that reflect elements identified in the scope of work; and
- ?? The source and value of funds to be used for the non-Federal match.

#### **7. Maintenance Assurance**

- † † Has the applicant identified any maintenance required to preserve the long-term mitigation effectiveness of the project?
- † † Are maintenance costs and schedules included?
- † † Is the entity that will perform the long-term maintenance identified?
- † † If the responsible entity is other than the applicant, is a letter attached from the entity accepting performance responsibility?

#### **8. Cost-Effectiveness (Risk) Information**

- † † At a minimum, has the applicant provided the following in order to calculate a “lower bound” benefit-cost ratio using the FEMA module?
  - ?? Cost of observed damages in declared events (includes PA, IA, NFIP, etc.);
  - ?? Frequency of declared events (years);
  - ?? Average facility or facility occupancy (24 hours/7 days per week);
  - ?? Building structural type;
  - ?? Total floor area (sf);
  - ?? First finished floor elevation;
  - ?? Annual operating budget for the building or facility.





**Project Application Checklist (Continued)**

**8. Cost-Effectiveness (Risk) Information (Continued)**

- † † Loss of function (time) based on various frequency events;
- † † Loss of function (\$) based on various frequency events;
- † † Annual budget of public or non-profit agencies occupying facility;
- † † Total monthly rent from all tenants (\$/month); and
- † † Estimated net income of commercial businesses (\$/month).

**9. Environmental and Historic Review Information**

- † † Non-construction or ground disturbance projects (e.g., planning, training, education, mapping, studies, codes development inspection/monitoring) do not require detailed environmental review.
- † † For all other projects, ensure that Environmental Considerations and Review Checklist (Job Aid 8-2, or an equivalent) is completed and attached.

**10. Attachments**

- † † Review attachments to the application, which may include:
  - ?? PNP: Tax-exempt certificate and articles of incorporation;
  - ?? Schematic plans and preliminary engineering specifications;
  - ?? Maps of site/location (street, plat, flood, topographic);
  - ?? Photographs;
  - ?? Detailed address list (if multi-site project);
  - ?? Maintenance agreement (if other than applicant responsible for maintenance);
  - ?? Environmental/historic studies and letters.

## Section 6: The Application Process

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### *State Review Results*

---

By signing the SF 424 and forwarding a project application or summary to FEMA, the State certifies that:

- ///* The applicant is eligible based on HMGP regulations and guidance.
- ///* The project is in conformance with the State Mitigation Plan required by Section 409 of the Stafford Act.
- ///* The selection process used by the applicant was sufficient and included appropriate public notice and involvement.
- ///* The applicant's project description and proposed scope of work are sufficiently detailed and documented to determine eligibility based on the HMGP regulations and guidance.
- ///* The applicant's costs are accurate, complete, and reasonable compared to industry standards, and that non-Federal matching funds are or will be available for the project.
- ///* The maintenance requirements have been sufficiently identified, and the applicant or another authorized entity has accepted performance responsibility.
- ///* The applicant's underlying benefit-cost data is accurate and complete.
- ///* The environmental information submitted by the applicant is sufficient for FEMA to determine whether or not the project can be categorically excluded from further environmental review
- ///* The State as grantee will comply with the standard disaster grant agreement articles (Job Aid 6-6).



**Federal Emergency Management Agency Disaster Grant Agreement Articles  
Hazard Mitigation Grant Program**

**ARTICLE I.** The United States of America through the Director, Federal Emergency Management Agency (FEMA) (hereinafter referred to as "the Grantor") or his/her delegate, agrees to grant to the State Government, through its designated agency named above (hereinafter referred to as "the Grantee") funds in the amount specified on the obligating document, to support the Hazard Mitigation Grant Program (HMGP) authorized under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. By signing the Memorandum of Understanding, the Grantee agrees to abide by the grant terms and conditions as set forth in this document as well as all conditions contained in the FEMA-State Agreement.

**ARTICLE II.** This agreement takes effect at the time it is executed and the obligating document is signed and remains in effect until the grant program is completed. Refer to obligating documents for funding information.

**ARTICLE III.** The following laws and regulations govern standard grant management practices and are incorporated into this Agreement by reference. Due to the nature of grant administration following Presidential declaration of a disaster or emergency, some variance from standard practice may be warranted upon determination by FEMA.

**Public Law 93-288**, as amended. Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq.

**Title 44 of the Code of Federal Regulations (CFR)**

- 44 CFR            Part 13 Uniform administrative requirements for grants and cooperative agreements to state and local governments
- 44 CFR            Part 14 Administration of grants: Audits of State and local governments
- 44 CFR            Part 17 Government-wide debarment and suspension (nonprocurement) and government wide requirements for drug-free workplace (grants)
- 44 CFR            Part 18 New restrictions on lobbying
- 44 CFR            SUBCHAPTER B - Insurance and Hazard Mitigation
- 44 CFR            SUBCHAPTER C - Fire Prevention and Control
- 44 CFR            SUBCHAPTER D - Disaster Assistance
- 44 CFR            Part 7 Nondiscrimination in Federally Assisted Programs

## Section 6: The Application Process

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### *Federal Emergency Management Agency Disaster Grant Agreement Articles Hazard Mitigation Grant Program (Continued)*

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**OMB Circular A-110** Uniform Administrative Requirements for Grants and Agreements with institutions of Higher Education, Hospitals, and Other Non-Profit Organizations

**OMB Circular A-102** Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments

**OMB Circular A-87** Cost Principles for State and Local Governments

**OMB Circular A-21** Cost Principles for Educational Institutions

**OMB Circular A-122** Cost Principles for Nonprofit Organizations

**OMB Circular A-133** Audits of States, Local Governments, and Non-Profit Organizations

Assurances submitted with the SF 424, Application for Federal Assistance

**31 CFR 205.6** Funding techniques

**ARTICLE IV.** The specific terms and conditions of this agreement are as follows:

1. No transfer of funds to agencies other than those identified in the approved grant agreement shall be made without prior approval of FEMA. Grantee shall be paid using the HHS SMARTLINK System, provided Grantee maintains and complies with procedures for minimizing the time between transfer of funds from the US Treasury and disbursement by the state and subgrantees. The state should make drawdowns as close as possible to the time of making disbursements.
2. The Grantee shall submit financial and programmatic reports 30 days after the end of each Federal quarter following the initial grant award. Reporting dates are: January 30, April 30, July 30, October 30. Final reports are due 90 days after the end of the grant. The FEMA Disaster Recovery Manager (DRM) may waive the initial report if the disaster occurs too close to the end of the Federal quarter. The DRM may suspend state drawdowns if quarterly reports are not submitted on a timely basis.
3. The Grantee shall transfer to FEMA the appropriate share, based on the Federal support percentage, of any refund, rebate, credit or other amounts arising from the performance of this agreement, along with accrued interest, if any. The Grantee shall take necessary action to effect prompt collection of all monies due or which may become due and to cooperate with FEMA in any claim or suit in connection with amounts due.
4. Prior to the start of any construction activity, the Grantee shall ensure that all applicable Federal, State, and local permits and clearances are obtained including FEMA compliance with NEPA.
5. The Grantee is free to copyright any original work developed in the course of or under the agreement. FEMA reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish or otherwise use, and to authorize others to use, the work for Government purposes. Any publication resulting from work performed under this agreement shall include an acknowledgement of FEMA financial support and a statement that the publication does not necessarily reflect FEMA's views.





**Federal Emergency Management Agency Disaster Grant Agreement Articles  
Hazard Mitigation Grant Program (Continued)**

6. Per 44 CFR Part 13.50, when FEMA and the state have completed the agreed upon grant activities, the State shall submit a final financial status report, any required performance reports, a request to close the program, and any other required forms and certifications within 90 days of completion of grant activities. FEMA will evaluate grantee reports, perform the necessary financial reconciliation, make any necessary adjustments, and closeout the grant.
7. The grant shall be completed within four years of the disaster declaration. Written request for an extension will include information and documentation to support the amendment and a schedule for completion. No subsequent grant agreements, monetary increase amendments, or time extension amendments will be approved unless all overdue final financial or performance reports have been submitted by the Grantee to the appropriate Regional Office. Exceptions to this policy can be approved only by the FEMA Regional Director or DRM.
8. Within his/her authorities, the Governor shall ensure, through the State agency responsible for regulation of the insurance industry, that insurance companies make full payment of eligible insurance benefits for damage resulting from a disaster. The State also shall take all responsible steps to ensure that disaster victims are aware of procedures for filing insurance claims, are informed of any State procedures instituted for assisting insured disaster victims, and are aware of their responsibility to repay government assistance which is duplicated by insurance proceeds.
9. The State agrees, on its behalf and on behalf of its political subdivisions and other recipients of Federal disaster assistance, to cooperate with the Federal Government in seeking recovery of any funds expended as a result of fraudulent actions that contributed to those damages which resulted in a disaster declaration.
10. The certifications signed by the State on the FEMA-State Agreement relating to maintenance of a Drug-Free workplace (per 44 CFR Part 17, Subpart F) and New Restrictions on Lobbying (44 CFR Part 18) apply to this grant agreement and are incorporated by reference.



## Section 6: The Application Process



### *Creating the Application in NEMIS*

See the NEMIS Software User Manual for detailed guidance on performing the following tasks:

Task	Name of Screen Where Task Is Performed
1. Applicant Information: Enter name, contact information, category of eligible subgrantee, and signature.	Applicant Information
2. Description of the Problem: Describe the problem and your decision-making process, including alternative measures considered. Supply risk information for cost-effectiveness.	Problem & Risk
3. Describe the scope of the mitigation measure. Explain how and to what degree the project solves the problem. Describe the existing environment in the project area. Attach environmental information here.	Project Information
4. Provide work schedule including significant milestones.	Work Schedule
5. Include location, age of structure, and expected impact of project on environmental, archaeological, or historic conditions.	Property Site Inventory
6. Provide a detailed line-item budget that is based on industry standards and specifies unit costs.	Cost Estimate
7. Identify source and value of non-Federal match.	Match Sources
8. Provide maintenance schedule, costs, and assurances of implementation.	Maintenance Assurance
9. Scan and/or attach all supporting documentation.	Attachments
10. Identify details of public notice actions.	Public Notice
11. Provide results of thorough State review of project eligibility.	Eligibility Review
12. Signature of State submission.	Authorization

## Section 7: Project Eligibility





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**Eligible  
Types of  
Projects**

To be eligible for funding under the HMGP, proposed measures must meet the minimum project criteria under 44 CFR 206.434(b). These criteria are designed to ensure that the most appropriate projects are selected for funding.



44 CFR 206.434(b)

Projects may be of any nature that will result in protection of public or private property from natural hazards. Some types of projects that may be eligible include:

- ~~///~~ Acquisition of hazardprone property and conversion to open space;
- ~~///~~ Retrofitting existing buildings and facilities;
- ~~///~~ Elevation of floodprone structures;
- ~~///~~ Vegetative management/soil stabilization;
- ~~///~~ Infrastructure protection measures;
- ~~///~~ Stormwater management;
- ~~///~~ Minor structural flood control projects; and
- ~~///~~ Post-disaster code enforcement activities.

**NEMIS  
Project  
Codes**

FEMA will process the grant program through the National Emergency Management Information System.

The State should include the appropriate NEMIS project code (see Job Aid 7-1) when submitting applications for potential HMGP projects. Applicants may also propose project types not listed in the NEMIS codes for funding consideration.



Job Aid 7-1

**Ineligible  
Projects**

The following types of projects are not eligible under the HMGP:

- ~~///~~ Retrofitting places of worship (or other projects that solely benefit religious organizations); and
- ~~///~~ Projects in progress.

The paragraphs below discuss these project types in greater detail.

**Retrofitting  
Places of  
Worship**

FEMA does not provide grants for the purpose of retrofitting places of religious worship (or other projects that solely benefit religious organizations), because the retrofit program is indistinguishable from the direct cash grant programs that are uniformly forbidden by the United States Government.

However, an eligible applicant (such as a local government) could include the acquisition of a church in its application where the whole community, not just the church, is the beneficiary.

---

**Projects in Progress**

HMGP funds are not available for projects already in progress. The funding is reserved for measures that arise from the disaster that generates those funds or for not-yet-initiated projects that have been previously identified in a hazard mitigation plan. FEMA and the State cannot meet the requirements of the National Environmental Policy Act if construction has already begun. The Regional Director may grant exceptions for certain projects that can be categorically excluded under NEPA if the work started after the disaster declaration.

**Five Minimum Criteria for Project Eligibility**

---

There are five minimum criteria that all projects must meet in order to be considered for funding:

- ~~///~~ Conforms with the State Hazard Mitigation Plan;
- ~~///~~ Provides beneficial impact upon the designated disaster area;
- ~~///~~ Conforms with environmental laws and regulations;
- ~~///~~ Solves a problem independently or constitutes a functional portion of a solution; and
- ~~///~~ Is cost-effective.

The paragraphs below describe each of these criteria in greater detail.

---

**Conforms With State Hazard Mitigation Plan**

Conformance with the State Hazard Mitigation Plan ensures that the proposed measure is in keeping with statewide mitigation strategies. In some cases, the proposed measure may be pre-identified within the existing plan.

If the State's Hazard Mitigation Plan is current, the State is poised for the quickest project approval path. FEMA requires only that these States review and update the existing plans based upon the disaster event.

A State that lacks a current plan may be required to submit a new or expanded post-disaster Hazard Mitigation Plan.



**TIP: Refer to Section 2 for more information.**

---

**Provides Beneficial Impact Upon Designated Disaster Area**

The designated disaster area comprises those counties designated in the disaster declaration as eligible for HMGP funds. Note that the areas designated for HMGP availability is not limited to the areas eligible for Individual or Public Assistance. Upon State request, all counties in the State may be designated as eligible for HMGP funds in the declaration.

---

**Conforms  
With  
Environmental  
Laws and  
Regulations**

In an effort to protect the environment, all projects must undergo a review process to ensure compliance with applicable environmental laws, regulations, and E.O.s, including but not limited to:



---

**Solves a  
Problem or Is  
a Portion of a  
Solution**

Approved projects must either solve a site-specific problem or be an element of a larger solution where there is assurance of project completion. A study plan that simply analyzes a problem or identifies a problem without a funded, scheduled, implementation program will not be eligible for HMGP funding.

Examples of projects that solve a problem independently include:

- ~~///~~ A project to elevate 6 houses in a neighborhood of 20 houses, would meet this criterion because the damage to those structures would be reduced or prevented.
- ~~///~~ A three-phase project to 1) study the feasibility of, 2) design, and 3) construct a series of drainage improvements in a small community.
- ~~///~~ A project to delineate local high-hazard areas, tied to a local ordinance restricting development and construction in the identified zones.

Examples of projects that do not solve a problem independently include:

- ~~///~~ A project to map a hazard area without any connection to implementing measures to reduce the risk of damage in the mapped area.
- ~~///~~ A feasibility study with no provisions for implementing the results.
- ~~///~~ The development of a community mitigation plan.

**Demonstrates  
Cost-  
Effectiveness**

Projects funded by the HMGP must be cost-effective. 44 CFR lists a number of minimum criteria that projects must meet in order to be eligible for funding under the HGMP. Among these is that projects must be “cost effective and substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster.”



**TIP: See the benefit-cost guidance and training for complete information.**

**Other  
Eligibility  
Factors**

In addition to the five minimum eligibility criteria, the following factors are also considered when determining project eligibility:

- ~~///~~ Contributes to a long-term solution;
- ~~///~~ National Flood Insurance Program participation; and
- ~~///~~ Duplication of programs.
- ~~///~~ Applicant agreement to property acquisition requirements.

**Contributes to  
a Long-Term  
Solution**

Mitigation measures funded under the HMGP are intended to provide a long-term or permanent solution. Ideally, the measure would be effective for the life of the property being protected.

Erecting an emergency berm on a beach to prevent wave damage to structures is a short-term solution, as opposed to a long-term solution, such as elevation or relocation of the structures.

**NFIP  
Participation**

HMGP funds for construction or land acquisition cannot be awarded in certain communities which do not participate in the National Flood Insurance Program (NFIP). Federal grants cannot be given for acquisition or construction purposes if the site is located in a designated Special Flood Hazard Area which has been identified by the Director for at least 1 year and the community is not participating in the NFIP. This includes communities suspended from participation.

If a community with mapped Special Flood Hazard Areas qualifies for and enters the program after the disaster declaration, the State may consider their grant application. FEMA recommends that States give priority to those communities that were participating and in good standing in the NFIP prior to the disaster and are complying with program requirements during reconstruction.

Non-participating communities may submit projects to the HMGP only if the projects are located in unmapped areas or areas outside of the Special Flood Hazard Area.



---

**NFIP  
Participation  
(Continued)**

**The project  
must be  
located in a  
participating  
community.**

In some cases, the applicant may be in compliance with this criterion even if the applicant does not participate in the NFIP. An example follows:

*A non-participating county is interested in relocating a school building presently in a Special Flood Hazard Area. The city (and not the county) has floodplain management authority over the land on which the school is located. The county owns the land and would retain its title. It would dedicate the land to open-space use after relocation of the school building. Although the county is not a participating community, it is the city, which is a participating community, that has jurisdiction over the land. The project is eligible because the jurisdiction with floodplain management over the project site is participating in the NFIP.*

If a project is sited within a mapped special flood hazard area of a community that does not participate in the NFIP, the proposed project is not eligible regardless of who the applicant is. An example follows:

*A non-profit organization proposes a project sited within a Special Flood Hazard Area of a community that does not participate in the NFIP. Even though the applicant is an entity separate from the non-participating community, the non-profit organization does not possess land use authority. Their proposed project would not be eligible because the applicable community is not participating.*

---

**Duplication of  
Programs**

The HMGP provides an opportunity to fund measures that cannot be funded under other authorities. HMGP funds can be packaged with other funds, but are not intended to be used as a substitute for other available program authorities. Other programs and authorities should be examined before application to this program is made. Available program authorities include other FEMA programs, such as the Public Assistance Program, and programs under other Federal agencies, such as the U.S. Army Corps of Engineers and the Natural Resources Conservation Service.

However, project applications that have been denied funding by other Federal programs may be submitted for consideration by the HMGP.

---

**Applicant  
Agreement to  
Property  
Acquisition  
Requirements**

Applicant communities will certify in their application for property acquisition projects that they understand the restrictions for future use of the acquired land. Also, they will consult with the U.S. Army Corps of Engineers (USACE) to ensure no flood damage reduction levees (including berms, floodwalls, or dikes) are under consideration for the area.

The construction of flood damage reduction levees on these lands is incompatible with open space uses and, therefore, will not be allowed. This restriction generally does not apply to structures for ecosystem preservation, restoration, or enhancement.

Local governments will consult with USACE, prior to submittal of the HMGP project application, to address and consider the potential future use of the proposed acquisition project area for the construction of a USACE flood damage reduction levee. If the local government dismisses consideration of a future flood damage reduction levee in that area, the local government may submit to FEMA, through the State, an HMGP application for an open space acquisition project. This application must include the assurances discussed below.

**Applicant Agreement to Property Acquisition Requirements**  
(Continued)

If this initial level of consultation indicates that the local government wishes to consider a flood damage reduction levee in the area, the local government must then undertake an expanded consultation process with the State, FEMA, and USACE. The consultation will involve the identification and full consideration of future potential land use conflicts to enable the local government to make an informed decision regarding how it should proceed. There may be situations where the local government may be able to pursue both the open space acquisition and flood damage reduction levee projects without any land use conflicts (i.e., the levee will not cross acquired land). If, however, the local government determines that such conflicts cannot be resolved and chooses to pursue the USACE flood damage reduction levee, the local government must notify FEMA, through the State that it will not submit an HMGP application for open space acquisition.

If the local government decides to pursue an acquisition project following the consultation process, it will include in its application formal assurances, a resolution or a comparable document, adopted by the governing body of the local government that indicate:

1. The local government understands that land acquired for open space purposes under the HMGP will be restricted in perpetuity to open space uses and will be unavailable for construction of flood damage reduction levees; and
2. In consultation with USACE, the local government has addressed and considered the potential future use of these lands for the construction of flood damage reduction levees, and has chosen to proceed with acquisition of permanent open space.

The State and FEMA will not entertain an HMGP application for an open space acquisition project unless the local government provides these formal assurances with its application.



**TIP: See Section 11 for details on property acquisition project implementation requirements and allowable open space uses.**

**The 5% Initiative**

Some hazard mitigation measures are difficult to evaluate against traditional program cost-effectiveness criteria. Up to 5 percent of the total HMGP funds may be set aside by the State to pay for measures such as these.

To be eligible for the 5% Initiative, measures must:

- ~~///~~ Be identified in the State Hazard Mitigation Plan as a measure that would reduce or prevent damage to property or prevent loss of life or injury;
- ~~///~~ Be submitted for review with a narrative rationale that identifies the mitigation benefits and indicates that there is a reasonable expectation that future damage or loss of life or injury will be reduced or prevented; and
- ~~///~~ Comply with any other applicable HMGP eligibility criteria, and Federal, State, and local laws and ordinances.

## The 5% Initiative (Continued)



**TIP: See page 9-2 for the contents of the narrative cost-effectiveness review.**

### A Proposal's Second Chance

The 5% Initiative, like all HMGP funds, should not be used as a substitute for other Federal programs. Projects that fall under the responsibilities of other Federal agencies are not eligible.

### Examples of 5% Initiative Projects

Types of projects that could be funded under the 5% Initiative include:

- ~~///~~ The use, evaluation, and application of new, unproven mitigation techniques, technologies, methods, procedures, or products that are developmental or research based;
- ~~///~~ Equipment and systems for the purpose of warning residents and officials of impending hazard events;
- ~~///~~ Hazard identification or mapping and related equipment that are tied to the implementation of mitigation measures;
- ~~///~~ Geographical Information System software, hardware, and data acquisition whose primary aim is mitigation;
- ~~///~~ Public awareness or education campaigns about mitigation; and
- ~~///~~ Other activities, clearly falling under the goal of mitigation, for which benefits are unproven or not clearly measurable and which the State has listed as a priority in its Hazard Mitigation Plan.

### Eligibility of Phased Projects

It is sometimes beyond the applicant's technical and financial resources to provide the complete technical information required for a full eligibility or environmental review of a complex project. The State and Region may provide technical assistance to the applicant to develop this complete body of technical data by approving an application to complete a Phase I design, engineering, environmental, or feasibility study.

The Phase I study provides FEMA with a technical body of information mutually concurred on by the applicant, the State, and FEMA to determine project eligibility. If the results of the Phase I review indicate that the project meets benefit-cost, floodplain management, and environmental review requirements, the project would then be eligible for funding for construction under a Phase II approval. Phase I study funding is part of the project's total estimated cost, and is subject to the 75/25 cost-share.


The following provides guidelines and outlines the process for selecting projects for Phase I/Phase II project approval.

## Section 7: Project Eligibility

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### **Pre-Screening Process**

The project must meet the following pre-screening criteria for a conditional Phase I approval in the following sequence:

1. State Mitigation Plan - The proposed project must be in conformance with the State's Mitigation Plan.
2. Justification for Selection of the Proposed Project - 44 CFR requires that the applicant provide justification for the selection of the proposed solution after consideration of a range of options. 
3. Potential Cost-Effectiveness - The project demonstrates potential cost-effectiveness based on a preliminary assessment of anticipated project benefits and cost. This preliminary assessment may include the use of FEMA's limited data module. It is imperative that the applicant is aware that this preliminary assessment is solely for the purpose of the Phase I pre-screening process and is not the final cost-effectiveness determination.
4. Environmental Review - Initial environmental review to identify major NEPA compliance issues. The Phase I study is categorically excluded from NEPA review.
5. Hydrologic and Hydraulic or Other Relevant Technical Data - The applicant provides available hydrologic and hydraulic data based on existing models.

---

### **Phase I Conditional Approval**

The State and Region may approve projects meeting the above pre-screening requirements for technical assistance under a Phase I conditional approval. FEMA and the State will coordinate closely to ensure mutual concurrence on all data and technical information as the Phase I technical review process proceeds. The sequence for the process is as follows:

1. Hydrologic and Hydraulic or Other Relevant Technical Data – If appropriate, the State and FEMA will review the hydrologic and hydraulic or other technical data provided by the applicant.
2. Revised Engineering Design - Based upon the technical data, the applicant develops a preliminary engineering design and layout and cost estimates with ad hoc technical assistance from the State and FEMA. The applicant's design and costing must meet State and FEMA approval before proceeding with the benefit-cost analysis.
3. Executive Order 11988 – If applicable, based upon the technical data and revised engineering design, the project must demonstrate compliance with floodplain management requirements under this Executive Order (E.O.). If a flood map amendment or revision is necessary, the State and FEMA will provide the applicant with technical assistance to meet this requirement.

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**Phase I  
Conditional  
Approval  
(Continued)**

4. Refinement of the Cost-Effectiveness Determination - Based upon the revised design and cost estimates, the State and FEMA will refine the preliminary determination of cost-effectiveness conducted in the Phase I pre-screening process. This will result in a final benefit-cost ratio to evaluate the project's cost-effectiveness.
5. Environmental Review – The State and FEMA will conduct an environmental review of the revised project design to ensure compliance with NEPA. This includes an evaluation of other resources such as wetlands, endangered species, and historic structures. The project will meet environmental review requirements before Phase II approval.

---

**Phase II  
Approval—  
Construction  
Process**

If the project is determined to be eligible, technically feasible, cost-effective, and compliant with E.O. 11988 and 11990 and NEPA/Historic Preservation requirements under the Phase I technical review, the project may then be approved for construction under Phase II.



***NEMIS Project Codes***

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**Note:** This also includes projects eligible only under the 5% Initiative.

Stormwater Management - Diversions

Public Awareness and Education (brochures, workshops, videos, etc.)

Professional Education (Building Inspectors, Architects, Engineers, Contractors, etc.)

Mitigation Plans - Storm Water/Drainage Management Plans

Mitigation Plans - Land Use Planning Resulting in Revised Land Development Regulations

Mitigation Plans - Vegetation Management

Feasibility, Engineering and Design Studies

Developing, Implementing and Enforcing Codes, Standards, Ordinances and Regulations

Applied Research and Development in the Building Sciences

Retrofitting Private Structures -- Wildfire

Retrofitting Public Structures -- Wildfire

Non-Structural Retrofitting Private Structures -- Seismic

Non-Structural Retrofitting Public Structures -- Seismic

Structural Retrofitting Private Structures -- Seismic

Structural Retrofitting Public Structures -- Seismic

Retrofitting Private Structures -- Wind

Retrofitting Public Structures -- Wind

Vegetation Management - Natural Dune Restoration

Vegetation Management - Wildfire

Vegetation Management - Wind

Vegetation Management - Non Coastal Shoreline Stabilization

Vegetation Management - Landslide Stabilization

Shoreline Stabilization (riprap, etc.)

Landslide Stabilization

Wetland Restoration/Creation

Utility Protective Measures (electric, gas, etc.)

## Section 8: Environmental Review







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**Compliance With Environmental Laws and Regulations and Executive Orders**

For any project submitted for funding, prior to initiation of the project, FEMA must undertake a review under the requirements of the National Environmental Policy Act (NEPA), as well as other applicable Federal environmental laws and Executive orders. The FEMA project review process includes a number of steps; this section highlights only the environmental review step.

In each FEMA region there is a Regional Environmental Officer (REO), who is the primary point of contact for all matters regarding the National Environmental Policy Act (NEPA), and environmental and historic compliance. The REO should be consulted regarding specific documentation requirements, policies, and approval processes.

**What is the National Environmental Policy Act (NEPA)?**

NEPA is a Federal law that establishes a national policy for the protection and maintenance of the environment. It provides a broad planning process which all Federal agencies must follow to ensure that:

- ✍ The Federal agency has considered the effects of their actions on the environment before deciding to fund and implement a proposed action.
- ✍ Environmental information is made available to other public officials and citizens before agency decisions are made and before actions are taken.
- ✍ For the NEPA administrative documentation process, FEMA will make a determination if the project:
  - ?? Qualifies to be categorically excluded (CATEX) from a more detailed NEPA review,
  - ?? Requires an Environmental Assessment (EA), or
  - ?? Requires an Environmental Impact Statement (EIS).
- ✍ The EA and EIS are the NEPA documents that record the Agency's evaluation of the environmental impacts of the project and its viable alternatives.

Projects require full compliance under other environmental laws regardless of the level of NEPA review or documentation.

**The Environmental Review Process**

44 CFR Part 10 contains FEMA's regulations for implementing NEPA. This section provides guidance for complying with NEPA, other environmental laws and regulations, and Executive orders.



FEMA's NEPA review process is outlined in Job Aid 8-1. All projects that are considered for Federal funding will be reviewed according to NEPA and other environmental laws. The review for other environmental laws is not depicted in Job Aid 8-1. The information and compliance process for these other laws is incorporated into the NEPA review process and document, so that it occurs simultaneously.








**Roles,  
Responsibilities,  
and  
Information  
Collection**

***Roles and  
Responsibilities  
(see 44  
CFR 10.7(c))***

Successful completion of environmental review requires the full participation of all of the HMGP partners: Applicants, States, and FEMA.

In support of FEMA's environmental review, applicants and States undertake the following roles:

-  Consult appropriate agencies during planning stages.
-  Consider viable alternatives to the proposed project, particularly when environmental issues or impacts are identified.
-  Provide thorough and accurate information regarding details of projects, and environmental issues or resources in the project area.
-  Conduct studies which are deemed necessary and appropriate to determine impacts.
-  Inform the public of the applicants' proposals and inform FEMA of potentially controversial issues or interested parties.

Managing States undertake a greater role in environmental review by taking on greater responsibility to ensure the completeness and accuracy of environmental information, provide qualified staff to make recommendations to FEMA, and undertake greater coordination with environmental agencies and the public.

FEMA's role is to provide technical assistance to applicants and States, where necessary. FEMA is involved in coordination with other Federal agencies, when potential impacts are identified. FEMA is responsible for environmental review and must review and approve all environmental review documents and ensure compliance with all Federal environmental laws.

Job Aid 8-2 contains an Environmental Considerations and Review Checklist, which can be used by States as a tool to assist FEMA with the environmental review.



**Job Aid 8-2**

**Information  
Collection**



Applicants are responsible for providing most of the necessary information to complete environmental review under the NEPA and other laws and Executive orders. States, particularly Managing States, take an active role in assisting applicants to prepare adequate environmental information and analysis. FEMA may assist applicants and States with technical assistance, as necessary, to complete environmental analysis.

**TIP: See the HMGP Applicant Handbook for greater detail on specific information needs.**

**Information  
Collection  
(Continued)**

To greatly facilitate FEMA’s environmental review, the applicant and State should gather factual information, resource maps, and comments from relevant environmental agencies and the public that addresses the environment in the project area, including:

- ~~/~~ Previously undisturbed land that may be affected by the project.
- ~~/~~ Waterways, water bodies, floodplains/floodways, potential wetland areas, and water quality.
- ~~/~~ Vegetated areas or areas of habitat, and threatened or endangered species.
- ~~/~~ Archeological, historical or cultural resources.
- ~~/~~ Hazardous and toxic materials.
- ~~/~~ Other sensitive natural areas, such as groundwater aquifers, barrier islands, wild and scenic rivers, and prime and important farmland.
- ~~/~~ Low income and minority populations and socio-economic concerns.

**Categorical  
Exclusions**

The majority of HMGP actions have very low potential to result in significant impacts, and thus have been excluded from the need to prepare extensive NEPA analytic documents (the Environmental Assessment and the Environmental Impact Statement). These actions can be Categorical Excluded (CATEX) if the action corresponds to a listed CATEX category. This review can be satisfied by relatively simple documentation.

To qualify for a CATEX a project must not involve any “extraordinary circumstances” and must comply with all other environmental laws. A list of CATEXes are provided in Job Aid 8-3.



Job Aid 8-3



**TIP: See 44 CFR Part 10.8 and Job Aid 8-3 for a list of categorical exclusions.**

**Consideration  
of  
Extraordinary  
Circumstances**

In some cases, an action that normally is categorically excluded may involve extraordinary circumstances. In situations where an extraordinary circumstance is identified, an EA may be prepared.



**TIP: See 44 CFR Part 10.8 for a list of extraordinary circumstances that may trigger further review.**

**Consideration of Extraordinary Circumstances**  
(Continued)

Extraordinary circumstances address issues such as high public controversy, unusual projects, or projects with a potential to affect critical or special status resources.

The levels of documentation required for various CATEXed actions are shown in Job Aid 8-3. The REO is the approving official for CATEXs. The REO should be consulted regarding specific documentation requirements and delegation of approval authority for certain levels of CATEXs.



Job Aid 8-3

**Environmental Assessments and Environmental Impact Statements**

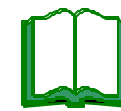
If FEMA determines that a project does not qualify for a CATEX, the FEMA Regional Office, in coordination with the applicant and State, will prepare an analysis of impacts called the Environmental Assessment (EA), to determine whether the proposed project has potential to cause significant environmental impact.

If no significant impact is anticipated, FEMA will prepare a Finding of No Significant Impact, signed by the REO in most regions.<sup>1</sup> If significant impact is anticipated, then the State and FEMA will prepare an Environmental Impact Statement in coordination with the FEMA Environmental Officer.

There are very specific EIS requirements identified in 44 CFR Part 10 and the Council on Environmental Quality's regulations at 40 CFR parts 1500-1508. An EIS is a much more extensive evaluation of the impacts of the proposed project and all reasonable alternatives. Rigorous public involvement is required.

**Coordinating With Other Agencies**

When an EA or EIS is prepared, FEMA coordinates affected Federal, State, and local agencies and concerned groups. This coordination is required by FEMA regulations 44 CFR 10.9(c), 10.10 and the Council on Environmental Quality regulations 40 CFR Parts 1500-1508.



44 CFR 10.9(c) and 10.10

**Managing States**

In some cases, Managing States will undertake a greater role in the preparation of EAs and EISs by conducting more extensive analysis and preparation of documents. FEMA retains final approval authority.

**NEPA Compliance Exception**

With rare exception, actions initiated and/or completed without fulfilling the specific documentation and procedural requirements of NEPA will not be considered for funding. The rare exception might be actions that were initiated in an emergency situation to prevent or reduce an immediate threat to life, health, property, or severe economic losses, if otherwise eligible.

The FEMA Regional Director will consult with the REO in such cases. Further consultation with the FEMA Environmental Officer and the Council on Environmental Quality may be necessary for a final decision.

<sup>1</sup>In most regions, the REO has been delegated this authority; if there is no REO, then the FEMA EO at headquarters is the approving official for EAs and EISs.

**Other  
Compliance  
Considerations**

Even actions that qualify for a categorical exclusion must comply with other Federal statutes, such as, but not limited to, the Endangered Species Act, the Clean Water Act, the National Historic Preservation Act, etc., as well as Executive orders on Floodplains, Wetlands, and Environmental Justice.

**Review  
Under Other  
Environmental  
Laws and  
Executive  
Orders**

This section presents a brief overview of the laws and Executive orders most frequently encountered when reviewing HMGP projects. There are many other laws that may be relevant to a particular project.

**National  
Historic  
Preservation  
Act**

Section 106 of the National Historic Preservation Act requires that Federal agencies “take into account the effect of the undertaking [proposed project] may have on any district, site, building, structure, or object that is included in or eligible for inclusion in the National Register [of Historic Places].” FEMA, in coordination with the State Historic Preservation Officer (SHPO), must identify resources in the area that may be affected by the proposed HMGP project and identify effects of the actions. FEMA must then obtain concurrence from the SHPO on the eligibility of the identified resource and the potential to affect them. If there are adverse effects, FEMA, in cooperation with the applicant and Grantee, enters into consultation with the SHPO on ways to avoid or mitigate effects to cultural resources and develop a project-specific agreement with the SHPO that identifies the agreed-upon measures to mitigate effects. FEMA may consult the Advisory Council on Historic Preservation in some situations.

Responsibility for compliance with the National Historic Preservation Act lies with the Federal agency funding the project, in this case; it is FEMA. However, there may be Programmatic Agreements in effect for certain disasters or States that reassign responsibility for various aspects of compliance. In any case, applicants and States assist FEMA in carrying out responsibilities under the Act.

In Managing States, the State may take a greater proactive role in identifying historic properties and potential effects.

**Clean Water  
Act—U.S. Army  
Corps of  
Engineers  
Permits**

All projects that may affect streams, rivers, lakes, oceans, wetlands, or any waters of the U.S., may require a U.S. Army Corps of Engineers Clean Water Act permit to proceed. In these cases, the applicant should work with the U.S. Army Corps of Engineers to develop the project and consider alternatives to avoid impacts to wetlands and other significant resources.

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**Compliance  
With Executive  
Orders 11988  
and 11990**

Executive Orders 11988, Floodplain Management, and 11990, Protection of Wetlands, require FEMA to ensure that an eight-step decision-making process is completed for proposed actions that are located in or affect a floodplain or wetland. The State will assist FEMA in complying with the eight-step process. The steps in the process, as defined in 44 CFR Part 9, are:



---

**Requirements  
for Public  
Notice**

Executive Orders 11988 and 11990 require FEMA and the State to notify the public of most actions affecting floodplains or wetlands. In certain instances, other projects may require a public notice if controversy or sensitive environmental issues are involved. The State and FEMA program staff should always consult the Regional Environmental Officer if a question arises.

Notification should occur, in coordination with applicants and States, when the project is initially developed (initial notice) and at the end of the review phase (final notice), prior to action. A disaster-wide notice is appropriate for some situations. A public meeting may be appropriate if homeowners or controversy are involved.

Executive Order 12898, discussed on the following page, requires that FEMA notify and involve affected low-income and minority populations.

FEMA's NEPA regulations recommend a public notice of a Finding of No Significant Impact in some situations. See 44 CFR 10.9(e).



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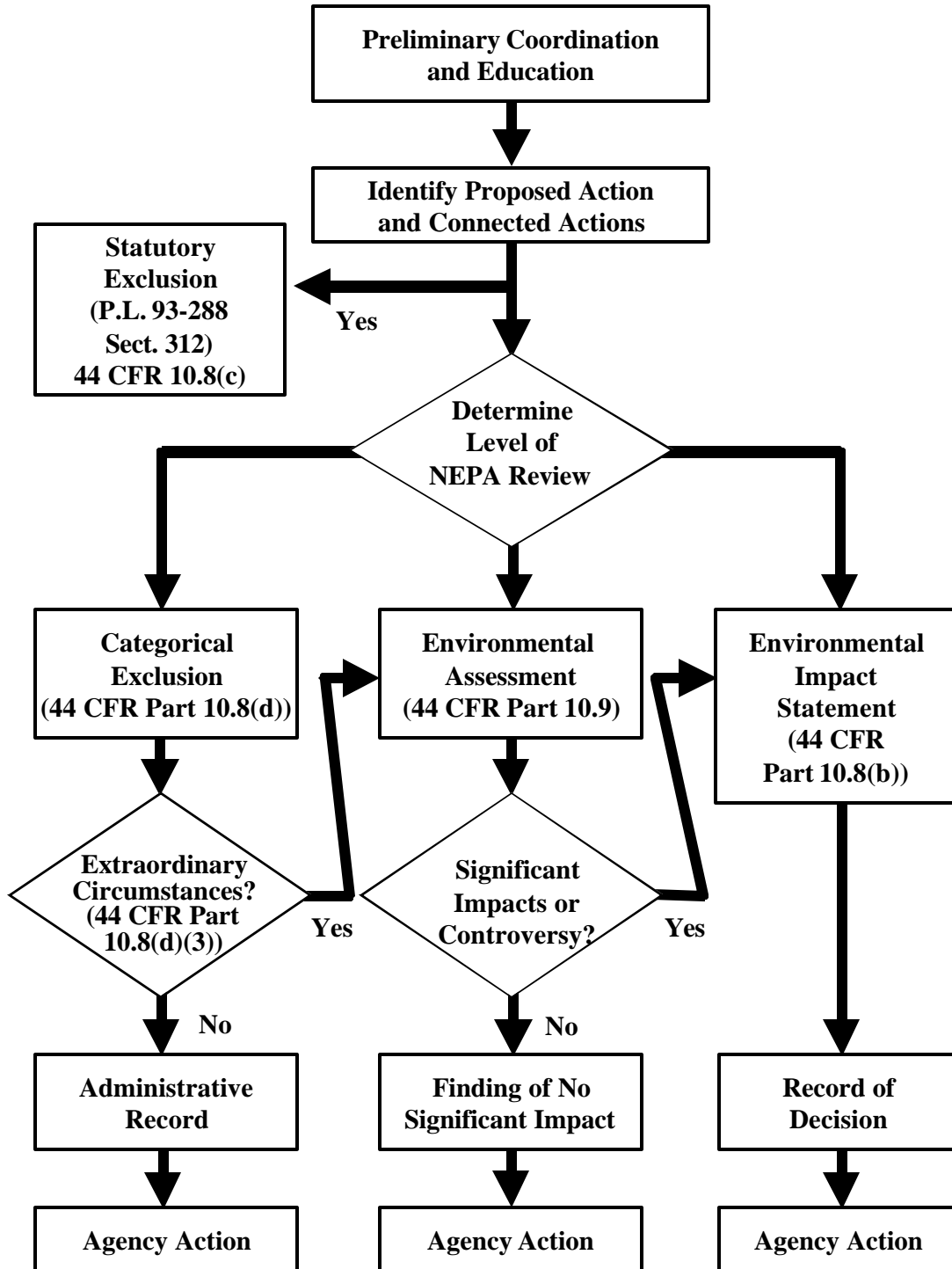
***Implementa-  
tion of E.O.  
12898  
Concerning  
Environmental  
Justice***

Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," directs each Federal agency to identify and address, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations.





*FEMA's NEPA Environmental Review Process*





### *Environmental Considerations and Review Checklist*

---

Projects funded under the Hazard Mitigation Grant Program must comply with certain environmental requirements. The first step is to collect and analyze environmental information to ensure compliance with other environmental laws.

Second, the information and evaluation for compliance with other environmental laws is essential to determine the appropriate level of NEPA review. If the project falls within the scope of a CATEX category, the environmental information and evaluation of compliance with other laws will be used to determine if any extraordinary circumstance are present. If the project meets all requirements for the CATEX, NEPA CATEX review is documented as appropriate for the three CATEX levels. Otherwise, a more extensive review of the information analysis is completed as part of an EA or EIS.

Information received as part of the application submittal should be categorized in the following issue/resource/compliance areas. Federal or State agencies, such as a State Department of natural Resources or the State Historic Preservation Office, may have information pertinent to the potential environmental resources in the project areas and impacts of the project. Phone records or letters or response should be included in the submittal package. Information provided in this analysis should be as complete and thorough as possible to expedite approval. "Yes" or "no" answers may not be sufficient without a supporting explanation. Both beneficial and adverse impacts should be addressed.



**Environmental Considerations and Review Checklist (Continued)**

The checklist below is based on the information you will need to provide to the NEMIS system. For each issue, you will need to determine the status by identifying the most appropriate response:

- ~~///~~ Not the project area;
- ~~///~~ In the project area with no effect;
- ~~///~~ Presence in area undetermined;
- ~~///~~ In project area—effect unknown;
- ~~///~~ Adverse effect.

For each issue you must determine if the analysis should include supporting documentation such as maps and studies.

Issue	Consultations
<b>Aquatic and Terrestrial Biotic Resources</b>	Consult with: † † Appropriate State agency † † U.S. Fish and Wildlife Service † † National Marine Fisheries Services
<b>Archeological or Cultural Resources</b>	Consult with: † † Local historical society † † State Historic Preservation Office
<b>Coastal Zone Management and Coastal Barriers</b>	Consult with: † † Appropriate State agency † † U.S. Fish and Wildlife Service † † National Marine Fisheries Service
<b>Designated Floodplain/ Floodway</b>	Consult with: † † Local floodplain administrator † † Appropriate State agency † † FEMA
<b>Hazardous Materials</b>	Consult with: † † Appropriate State agency † † Environmental Protection Agency
<b>Historic Structures</b>	Consult with: † † State Historic Preservation Officer † † Local historical society † † National Register of Historic Places



***Environmental Considerations and Review Checklist (Continued)***

Issue	Consultations
<b>Hydrology/ Hydraulics</b>	Consult with: † † Appropriate State agency † † FEMA † † USACE † † NRCS
<b>Land Use/ Development Patterns</b>	Consult with: † † Appropriate State agency † † Regional Planning Commissions
<b>Local Economy/ Community Services</b>	Consult with: † † Appropriate State agency † † Regional Planning Commissions
<b>Low-Income or Minority Populations</b>	Consult with: † † Appropriate State agency † † HUD
<b>Prime Farmland</b>	Consult with: † † Appropriate State agency † † USDA † † Natural Resources Conservation Service
<b>Slopes and Soil</b>	Consult with: † † Appropriate State agency † † Natural Resources Conservation Service
<b>Special Status Natural Areas</b>	Consult with: † † Appropriate State agency † † U.S. Fish and Wildlife Service † † National Marine Fisheries Service
<b>Threatened/ Endangered Species</b>	Consult with: † † Appropriate State agency † † U.S. Fish and Wildlife Service † † National Marine Fisheries Service





***Environmental Considerations and Review Checklist (Continued)***

<b>Issue</b>	<b>Consultations</b>
<b>Water Quality</b>	Consult with: † † Appropriate State agency † † USACE † † EPA
<b>Wetlands</b>	Consult with: † † Appropriate State agency † † USACE † † FEMA





*List of CATEXs and Required Documentation\**

Level 1 No Documentation	Level 2 Notation
Administrative actions such as personnel or travel 44 CFR 10.8(d)(2)(i)	Acquisition and/or relocation projects 44 CFR 10.8(d)(2)(vii)
Preparation/revision of program or manuals 44 CFR 10.8(d)(2)(ii)	Acquisition, operation of communication/utility systems 44 CFR 10.8(d)(2)(ix)
Studies requiring only manpower/associated costs 44 CFR 10.8(d)(2)(iii)	Demolition or disposal of non-contaminated structures 44 CFR 10.8(d)(2)(xii)
Inspection and code enforcement activities 44 CFR 10.8(d)(2)(iv)	Physical relocation of structures where FEMA has no role in relocated site 44 CFR 10.8(d)(2)(xiii)
Training activities 44 CFR 10.8(d)(2)(v)	Repair or construction of duplicative structures 44 CFR 10.8(d)(2)(xv)
Goods and services and storage of supplies 44 CFR 10.8(d)(2)(vi)	Actions with enclosed facilities that meet all environmental requirements 44 CFR 10.8(d)(2)(xvii)
Acquisition or lease of existing facilities 44 CFR 10.8(d)(2)(viii)	
Routine maintenance at FEMA facilities 44 CFR 10.8(d)(2)(x)	
Planting indigenous vegetation 44 CFR 10.8(d)(2)(xi)	
Granting NFIP exceptions for basements meeting 44 CFR 60.6(c) 44 CFR 10.8(d)(2)(xiv)	
Planning and administrative actions during emergency and disaster response and recovery 44 CFR 10.8(d)(2)(xviii)	
Response and recovery and mitigation activities specified under Sections 402, 403, 407, 408, 410, 411, 412, 413, 415, 416, 417, 418, 418, 420, and 502 44 CFR 10.8(d)(2)(xix)	
Demolition and disposal of structures to off-site locations 44 CFR 10.8(d)(2)(vii)	

\*Descriptions are abbreviated. See 44 CFR 10.8(d)(2) for more complete guidance.





*List of CATEXs and Required Documentation\* (Continued)*

Level 1 No Documentation	Level 2 Notation
Physical relocation of individual structures when FEMA has no further involvement 44 CFR 10.8 (d)(2)(xii)	
Acquisition, installation, or operation of utility or communication systems 44 CFR 10.8 (d)(2)(ix)	
Elevation or retrofitting to current codes or a pre-existing design, function, or location 44 CFR 10.8 (d)(2)(xv)	
Actions conducted within enclosed facilities that comply with environmental laws and regulations 44 CFR 10.8 (d)(2)(xvii)	

\*Descriptions are abbreviated. See 44 CFR 10.8(d)(2) for more complete guidance.

**Level 3: Full Documentation**

Improvements to existing facilities and the construction of small-scale hazard mitigation measures in existing developed areas with substantially completed infrastructure, when the immediate project areas has already been disturbed, and when those actions do not alter basic functions, do not exceed capacity of other system components, or modify the intended land use; provided the operation of the completed project will not, of itself, have an adverse effect on the quality of the human environment. 44 CFR 10.8(d)(2)xvi.

## Section 9: Cost-Effectiveness







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**Cost-Effective Projects**

The Stafford Act and its implementing regulations require that HMGP projects be cost-effective (44 CFR 206.434(b)). A benefit-cost analysis should be performed in order to determine how the anticipated value of the project compares to the cost.



44 CFR 206.434(b)

**Who Does the Analysis?**

FEMA encourages States to do benefit-cost analyses of projects they submit for funding. Otherwise FEMA staff will complete it. Managing States generally always conduct the analyses. When States submit benefit-cost analyses with projects, FEMA may verify the results using its software.

**Guidance on Cost-Effectiveness Review**

This section describes the benefit-cost model used by FEMA to determine the cost-effectiveness of a hazard mitigation project, and discusses the documentation applicants should include when submitting an application to the State for review.

**What “Cost-Effective” Means**

For HMGP projects to be considered cost-effective, a project has to return more money over its life than it cost initially. The “return” is money saved because a mitigation project reduces or prevents damages from a flood, hurricane, earthquake, or other natural hazard event.

According to 44 CFR 206.434(b)(5)(ii) to be eligible for a grant, projects must “not cost more than the anticipated value of the reduction in both direct damages and subsequent negative impacts to the area if future disasters were to occur. Both costs and benefits will be computed on a net present value basis.”



44 CFR  
206.434(b)(5)(ii)

**Net Present Value**

Net present value is the total value of benefits over a project’s life, discounted at a rate given to FEMA by the Office of Management and Budget (OMB). Inflation and investment value are two factors that demonstrate the standard economic principle that a \$1 benefit received in the future is not the same as a \$1 benefit received today. The State or FEMA use this method to determine net present value.

**Guidance and Discount Rates for Benefit-Cost Analysis of Federal Programs**

OMB directs most Federal agencies on how to determine cost-effectiveness for their programs. OMB Circular A-94, [Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs](#), is the guidance FEMA is required to use in this area. Circular A-94 describes the economic principles and methods by which most Federal programs, including the HMGP, must analyze and verify the cost-effectiveness of projects they fund.

**Thorough Assessment**

In nearly all cases it is necessary to do a benefit-cost analysis as part of the eligibility determination. The process of assessing cost-effectiveness is not only required, but is also a good way to get an overall understanding of the project being evaluated. Nearly all aspects of a project—from the risks it seeks to mitigate (the benefits), to its costs, to its performance—must be recognized and quantified as part of a benefit-cost analysis.

The FEMA publication [How To Determine Cost-Effectiveness of Hazard Mitigation Projects](#) (often called “the yellow book,”) suggests a series of 10 questions as precursors to doing an analysis. Responding to the questions gives a “snapshot” of the proposed project, and so is a worthwhile exercise before starting an analysis.

**Potential Projects Requiring No Benefit-Cost Analysis**

Projects that are submitted as 5% Initiative projects do not require a quantitative analysis. The contents of the narrative statement will include:

1. Identification of expected mitigation benefits;
2. Approximate value of benefits, if possible; and
3. Description of why State and applicant expect that the project will likely reduce future disaster losses.

See Section 7 for further detail on 5% Initiative projects.

Additionally, the acquisition and demolition of substantially damaged structures from the Special Flood Hazard Area requires no benefit-cost analysis.

**How FEMA and States Determine Cost-Effectiveness**

FEMA has developed a set of eight computer programs as a tool to determine cost-effectiveness by doing benefit-cost analysis for projects that mitigate effects of natural hazards. While each of the modules is tailored to a particular type of mitigation project, they all use established risk modeling and economic principles as the basis for calculating the benefits of a project and comparing these to its costs.

Contact your FEMA regional office for information about these computer modules:

- ~~///~~ Riverine Very Limited Data (VLD) Module
- ~~///~~ Riverine Limited Data (LD) Module
- ~~///~~ Riverine Full Data (FD) Module
- ~~///~~ Hurricane Wind Module
- ~~///~~ Coastal A-Zone Module
- ~~///~~ Coastal V-Zone Module
- ~~///~~ Earthquake Module
- ~~///~~ Earthquake Limited Data (LD) Module

## How FEMA and States Determine Cost-Effectiveness (Continued)

States using the riverine module may select the version that is most appropriate, based on the data that is available.

These modules and related technical manuals are available from FEMA free of charge. States will find it easiest to use the FEMA software when doing benefit-cost analyses. Training is available in the use of the modules.

The following information describes generally how modules are used. Refer to the benefit-cost guidance and training for more detail.

Each of the eight FEMA computer modules incorporates established economic principles, OMB guidance, and risk calculations to determine the benefits of a project over its expected life. These benefits (which are avoided losses) are expressed in dollars so they can be compared with project costs.

If the benefits (discounted to present-day dollars; see discussion of “Net Present Value” above) exceed the costs, the project is cost-effective. The comparison of benefits to costs is expressed as a ratio. The total benefits are divided by the total costs; if the resulting ratio is greater than 1.0, the project is cost-effective (see box below). Another way to state this is that the ratio is the dollar amount of benefits that the project returns over its life for each dollar spent initially.

$\text{(Benefits)} \div \text{(Costs)} = \text{Benefit-to-Cost Ratio}$ <p>For example: <math>\\$225,000 \div \\$150,000 = 1.5</math></p> $\frac{\text{Benefits} = 225,000}{\text{Costs} = 150,000} = 1.5 \quad \text{Benefit-Cost Ratio}$
---

States may use other programs or mechanisms to analyze projects. Such a methodology must be consistent with the FEMA model and be approved in advance by FEMA.

## Benefits and Costs

As the term “benefit-cost analysis” suggests, you need both of these numbers to assess cost-effectiveness and get a ratio.

### Benefits

Of all the information needed for benefit-cost analysis, benefits are the most difficult to determine and quantify. The benefits of a mitigation project are avoided damages and losses that would happen in the future, so regardless of which module the analyst is using, the benefits are a prediction. The description of a benefit provided in OMB Circular A-94 is presented in the following paragraph.

A complete analysis includes comprehensive estimates of the expected benefits and costs to society. Social net benefits, and not the benefits and costs to the Federal Government, are the basis for evaluating government programs or policies that have effects on private citizens or other levels of government. Social net benefits in the context of HMGP are defined as prevented damages, loss, or emergency protection costs. Social net benefits do not include recreational or economic benefits unrelated to the hazard mitigation objectives of HMGP.

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**Direct Benefits**

It isn't possible to make a list of every benefit that could be included in an analysis. Circular A-94 specifies that benefits must be "direct." In the case of a mitigation project, this means that there has to be a clear cause-and-effect relationship between the natural hazard and the damage or loss. Some examples of types of direct benefits include avoided:

- ~~///~~ Building damages;
- ~~///~~ Loss of, or damage to, personal property or building contents;
- ~~///~~ Infrastructure damages;
- ~~///~~ Displacement costs after a disaster event;
- ~~///~~ Temporary relocation costs due to a disaster event;
- ~~///~~ Casualties;
- ~~///~~ Loss of function: Critical public facilities;
- ~~///~~ Transportation routes;
- ~~///~~ Electric power (industry studies of the costs of such events exist);
- ~~///~~ Businesses; and
- ~~///~~ Emergency protective measures.

---

**Indirect Benefits Not Included**

Some benefits may not be considered when determining the benefits of a mitigation project. Damages and losses are not included in the analysis when there is no clear cause and effect between the event (flood, earthquake, etc.) and the damages or loss. While it's not possible to list all possible indirect benefits, some include:

- ~~///~~ Lost wages;
- ~~///~~ Looting;
- ~~///~~ Gross or region-wide economic effects; and
- ~~///~~ Recreation opportunities lost or gained.

---

**Costs**

The costs of a project are generally easier to determine than the benefits. Costs are usually provided by the applicant as part of the application. If the applicant hasn't provided this information, there are many sources and means of getting it; these obviously differ depending on the kind of project being considered. The State reviews project costs for reasonableness.

---

**Data Necessary**

Different types of projects require specific data collection. This includes economic information as well as environmental and engineering data. Often, these data are missing or limited, and will impact your choice of benefit-cost analysis module. See Job Aid 9-1 for key data needed for analyzing project applications.



**Job Aid 9-1**

**Learning More  
About Benefit-  
Cost Analysis**

There are various resources available to learn more about benefit-cost analysis. These include:



**Key Data Needed for Analyzing Project Applications**

The following are examples of key data that are typically used for analyzing flood and earthquake hazard mitigation projects:

<b>Type of Information</b>	<b>Flood Project Data and Source</b>	<b>Earthquake Project Data and Source</b>
Hazard Data (often not included in application)	Flood Insurance Study (FIS) data, or historical flood data from application.	Seismic hazard data from a credible source
First Floor Elevation	Is this available from engineering surveys or can it be estimated from observed flood depths?	Not applicable
Scope	What problem does the project address? How vulnerable is the building, item, or area?	Same as flood
Cost	Is there a well-documented cost estimate or only a rough estimate?	Same as flood
Useful Lifetime	How long will the project provide protection (mitigation) against damages and losses?	Same as flood
Economic Considerations	What is the square footage of the building? What are the replacement values of the building (or other facility) and contents?	Same as flood
Occupancy	Not usually applicable.	What are the levels of occupancy and visitors during various times throughout the day?
Function	What is the function of the facility and is it entirely or partially related to emergency response and recovery?	Same as flood
Structure Type (if a building)	Number of stories Square footage General condition Basement	Construction type (wood frame, steel, masonry) Level of seismic design, if known # stories Occupancy
If a "service" such as electrical substation, road, water utility	What are the volume and unit of service provided and the cost, if known.	What are the volume and unit of service provided and the cost, if known.
Project Performance	Describe extent to which project protects the buildings (i.e., number of feet elevated or protects to 100-year flood).	Describe level of seismic design, define fragility after project, or note event to which project protects (i.e., 100-year earthquake).



## Section 10: Appeals





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**Appeal  
Format**

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An eligible applicant, subgrantee, or State may appeal, in writing, any FEMA decision regarding projects submitted for funding under the Hazard Mitigation Grant Program.

The appeal should contain documentation that justifies the request for reconsideration. The appeal should specify the monetary figure in dispute and the provisions in Federal law, regulation, or policy with which the appellant believes the initial action was inconsistent.

Whether the appeal is originated by the State or by an applicant, the appeal must be submitted in writing to the Regional Director by the State.

**Two Levels  
of Appeal**

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There are two levels of appeal. The Regional Director is the decisionmaker on first appeals. If there is an appeal of the Regional Director's decision on any first appeal, the Associate Director for Mitigation is the decisionmaker for the second appeal.

**Technical  
Evaluation**

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In some cases, the appeal may involve highly technical issues. The Regional Director or Associate Director may consult independent scientific or technical experts on the subject under appeal.

**Appeal  
Timeframes**

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Appeals must be made within 60 days of the applicant's receipt of FEMA's funding decision.

The State must forward any appeal from an applicant or subgrantee with a written recommendation to the Regional Director within 60 days of receipt.

Within 90 days following the receipt of an appeal, the Regional Director will notify the State in writing as to the new decision or the need for more information.

If additional information or technical evaluation is needed in order to make a decision, the Regional Director or Associate Director will act within 90 days following the receipt of the new information.

**Decision  
Notification**

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FEMA will provide its decision to the State in writing. If the decision is to grant the appeal, the Regional Director will take the appropriate action.



**Section 11: Project  
Implementation  
Requirements**





## Section 11: Project Implementation Requirements

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**The State as Manager**

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The State is required to oversee the implementation of HMGP projects. Monitoring methods include site visits, updates via telephone, meetings, and progress reports.

The State should request regular progress reports from subgrantees to aid the State in monitoring and evaluating the projects. The State also will use these reports when preparing quarterly progress reports for FEMA.

This section describes some of the responsibilities of the State and subgrantee once the grant is approved.

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**Nondiscrimination of HMGP Grants**

Like other disaster assistance programs, the HMGP must be administered in an equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, or economic status. The HMGP complies with Section 308 of the Stafford Act and Title VI of the 1964 Civil Rights Act. In implementing the HMGP, States and subgrantees will ensure that no discrimination is practiced.

Additionally, States and subgrantees must avoid conflicts of interest, both real and perceived. Subgrantees must comply with the procurement guidelines at 44 CFR 13.36. Among other requirements, Part 13 urges subgrantees to avoid situations where local officials with project oversight authority might benefit financially from the grant disbursement.

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**What Title VI and Section 308 Do**

Section 308 of the Stafford Act and Title VI of the 1964 Civil Rights Act:

- ✍ Prohibits entities from denying an individual any service, financial aid, or other benefit on the grounds of race, color, religion, nationality, sex, age, or economic status;
- ✍ Prohibits entities from providing services or benefits to some individuals that are different or inferior (either in quantity or quality) to those provided to others;
- ✍ Prohibits segregation or separate treatment in any manner related to receiving program services or benefits;
- ✍ Prohibits entities from requiring different standards or conditions as prerequisites for serving individuals;
- ✍ Encourages the participation of minorities as members of planning or advisory bodies for programs receiving Federal funds;
- ✍ Prohibits discriminatory activity in a facility built in whole or part with Federal funds;
- ✍ Requires information and services to be provided in languages other than English when significant numbers of beneficiaries are of limited English-speaking ability;
- ✍ Requires entities to notify the eligible population about applicable programs;
- ✍ Prohibits locating facilities in any way that would limit or impede access to a Federally funded service or benefit; and
- ✍ Requires assurance of nondiscrimination in purchasing of services.

## Section 11: Project Implementation Requirements

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### **Those Required to Comply**

All recipients of Federal assistance must comply with Title VI, including State and local governments and private non-profit organizations distributing Federal assistance.



**TIP: See related topic, Environmental Justice, on page 8-7.**

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### **How to Comply**

There is a broad range of activities that States can utilize to help ensure compliance with Section 308 and Title VI. Activities below are included only as examples.

States may:

- ~~///~~ Set objective process/criteria for community applicants;
- ~~///~~ Assist local communities with match requirement (either by seeking other resources or contributing cash); or
- ~~///~~ Work with communities to ensure the program is made available without discrimination.

Subgrantees may:

- ~~///~~ Set objective criteria for selecting homeowner and/or business beneficiaries.
- ~~///~~ Ask local officials who may benefit personally from projects to recuse themselves from project related decisionmaking and oversight.
- ~~///~~ Provide pamphlets and letters to prospective participants in other languages as appropriate; or
- ~~///~~ Use a committee that represents various community groups to make decisions and plan outreach.

These mandates apply to discrimination throughout an agency, not just to actions involving the Federally assisted program. Therefore, if an agency receives any Federal financial assistance for any program or activity, the entire agency is required to comply with Title VI, not just that particular program.



**TIP: For more information about Title VI, contact the State agency responsible for Title VI compliance.**

**Maintenance of the Project**

The subgrantee or owner of the property is responsible for maintaining the project after the initial implementation. The FEMA grant is not intended to pay for future maintenance, such as mowing open space or ensuring hurricane shutters are operable. The State should encourage subgrantees to develop a maintenance plan that identifies the maintenance tasks, schedule, and budget (e.g., a clearance schedule and funding plan for a culvert improvement project).

**Environmental Mitigation Implementation and Costs**

Subgrantees will implement any environmental or historic preservation mitigation actions specifically required of them in relation to project approval. Environmental mitigation measures are conditions of the grant award. This means it is essential that the measures are carried out as agreed upon. Such measures include recordation or relocation of historic structures, Phase III archeological data recovery, protection for endangered species, etc. Such activities are treated as a project cost and are cost-shared.

FEMA or the State usually pays for reviews to determine if environmental requirements are met or if environmental mitigation is necessary. The cost of implementing such required measures are cost-shared project costs.

**Hazardous Materials**

Subgrantees may not use HMGP funds to purchase contaminated property. If a community is considering purchasing commercial or industrial property as part of an HMGP project, it should ensure that the owner provides information identifying what, if any, hazardous materials are on the property. Applicants should consult the sample Property Owners' Questionnaire on Hazardous Materials, included as Job Aid 11-1.



Job Aid 11-1



**TIP: See Section 8 for more information on environmental considerations.**

Before purchasing commercial or industrial properties, the community should require the owner to remove hazardous materials and containers. The owner must provide a clean-site certification from the State agency issuing such before the community can purchase any interest (including an easement for development rights) in the property. When the community purchases an easement for development rights only, the seller must agree to indemnify the State, FEMA, and the community for any liability arising from previous contamination of the property.

Presence of non-leaking underground storage tanks, septic systems, home heating oil tanks, and normal quantities of lead, asbestos, and household hazardous materials do not preclude use of FEMA dollars for acquisition. These costs should be addressed in the demolition budget.

## Section 11: Project Implementation Requirements

### Hazardous Materials (Continued)

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If the State and FEMA determine that a Phase I environmental site assessment is necessary, the applicant, FEMA, or the State may conduct one prior to land purchase. The cost of Phase III environmental site assessment remediation plans, cleanup, and certification of the property are not eligible HMGP costs.

### Compliance With Companion Program Criteria

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When funds such as Community Development Block Grants are used to match HMGP grants, both programs' requirements apply to the whole project. The State, as grantee, is responsible for coordinating the various programs available within the State. It is important to include local program representatives.

Because HMGP is a very flexible program in terms of specific procedures, it is beneficial to coordinate approaches and schedules with other programs involved. The objective should be to make the process as simple and consistent as possible for the applicants and homeowners.

### Insurance Requirements

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The following requirement applies to any project to alter existing structures that are sited within a Special Flood Hazard Area:

- ✍ When the project is implemented, all structures that will not be demolished or relocated out of the Special Flood Hazard Area must be covered by flood insurance to an amount at least equal to the project cost or to the maximum limit of coverage made available with respect to the particular type of property, whichever is less<sup>1</sup>; and
- ✍ Insurance coverage on the property must be maintained during the life of the property regardless of transfer of ownership of such property.
- ✍ For example, elevation project owners must purchase and maintain flood insurance; an acquisition of agricultural easement project would require insurance on a remaining pole building; or in a project where hurricane shutters are installed on a building within the Special Flood Hazard Area, insurance is required even though it is not a flood mitigation project.

### Mapping Implications

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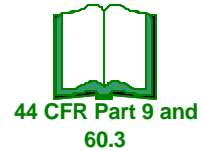
If approved HMGP projects will impact the local Flood Insurance Rate Map, the subgrantee is responsible for ensuring that appropriate map revisions are completed. Please contact your regional office for details.

<sup>1</sup>If an elevation or fill project results in a Letter of Map Revision (LOMR) indicating the structure is no longer located in the Special Flood Hazard Area, then insurance purchase is not required.

**Standards and Codes**

Alterations to existing structures will:

- ✍ Comply with all applicable State and local codes and ordinances;
- ✍ Comply with the applicable floodplain management standards outlined in 44 CFR Part 9 and 60.3 (e.g., the need to elevate structures to height at or above Base Flood Elevation, and the prohibition against elevation or fill in a V zone); and
- ✍ Provide protection for critical facilities to the elevation of the 500-year flood (the flood with a .2 percent annual chance of occurrence) as required by 44 CFR Part 9.



**Standard Wage Rate Requirements**

The Davis-Bacon Act of 1931 ensures that Federally contracted wages are paid at rates not less than those being paid on similar construction in the area. The Davis-Bacon Act applies only to work for which FEMA contracts directly, not to grantee-contracted work.

However, standard wage rates do apply to some U.S. Department of Housing and Urban Development (HUD) grant funds depending on the funding program and the type, scope, and size of the project. FEMA, the State, and subgrantees should coordinate with HUD field representatives to determine whether the rates apply to specific projects. If standard rates do apply, the additional cost is eligible under the HMGP at the same cost-share as the overall project.

**Duplication of Benefits**

FEMA and the grantee must avoid duplication of benefits between the HMGP and any other form of assistance, as required by Section 312 of the Stafford Act, and further clarified in 44 CFR 206.191.



Generally, duplication of benefits is only an issue for property acquisition projects where subgrantees pay pre-event value for damaged properties. However, it is possible that another form of assistance might pay for the same eligible activities that the HMGP does. HMGP recipients should not receive money from more than one source for the same activity.

**Increased Cost of Compliance**

Increased Cost of Compliance (ICC) insurance coverage provides for a claim payment to pay qualifying owners' costs to elevate, demolish, relocate, or floodproof (non-residential buildings only) after a flood. The maximum amount of Increased Cost of Compliance coverage available is \$15,000. Because these are also eligible HMGP costs, the homeowner cannot receive HMGP funds for the same costs. However, if the insurance claim does not pay the total mitigation cost, an HMGP grant can pay the remainder. The Increased Cost of Compliance insurance claim payment would then be counted as cost-share. See section 13 for more information.

## Section 11: Project Implementation Requirements

### **Program Delivery Sequence**

Section 206.191 specifies a delivery sequence for disaster relief agencies and organizations. The sequence establishes both the order in which agencies provide assistance and the program with primary responsibility. Programs listed later in the sequence are responsible for ensuring that they do not duplicate assistance that should be provided by a program listed earlier in the sequence. The programs listed in 44 CFR 206.191(d)(2) are “primary programs:”



1. Volunteer agencies' emergency assistance;
2. Insurance (including flood insurance);
3. Temporary housing assistance (minimal repairs);
4. Small Business Administration and Farmers Home Administration disaster loans;
5. Individuals and Family Grant program;
6. Volunteer agencies' "additional assistance" programs; and
7. The "Cora Brown Fund."

Because the HMGP is not a primary disaster assistance program, it is not listed in the program delivery sequence and, therefore, would follow those that are listed.

In property acquisition projects, it is typical to package funds and benefits from several different sources along with HMGP funds. Because it follows the "primary programs," the HMGP must ensure that it does not deliver assistance that duplicates any of the previously listed sources.

**Preventing  
Duplication of  
Benefits in an  
Acquisition  
Project**

If a community is offering pre-event fair market value for homes recently damaged in a disaster, duplication may occur. This is because the homeowner may have already been compensated for the damage to the building by insurance, loans, or repair grants. Paying full pre-event fair market value also compensates the owner for the loss of value due to damage.

The following procedure prevents HMGP from duplicating benefits paid by primary providers to compensate the owner for loss to the home:

1. The subgrantee provides the State with a list of property owners who are participating in the property purchase program.
2. The subgrantee (with the advice and assistance of the State) establishes the fair market value of the property, as of a certain date. Usually this is the date prior to the disaster event. However, if the project is occurring separate from or more than 12 months after a disaster event, the current fair market value may be more appropriate. A potential duplication only exists if the subgrantee is paying pre-event value (or any value higher than current) for a damaged house.
3. The State and FEMA inform the subgrantee of the amount of repair assistance (from primary providers) provided to each property owner after the date for which the fair market value was established.
4. Property owners who have a U.S. Small Business Administration loan are required to repay the loan or roll it over to a new property at closing.
5. If insurance payments, minimal repair grants, Individual and Family Grants, and/or funds from any other sources were awarded for the purpose of making repairs to a structure after the fair market value date, the subgrantee reduces the purchase offer by the amount of the awards. Reductions are not taken, however, for amounts that the owner can verify with receipts were expended on repairs<sup>2</sup> or cleanup.
6. If the owner's insurance paid a claim that included an amount to reimburse the owner for their own labor to clean up after the event, the subgrantee will not deduct that amount from the offer.
7. If a homeowner received FEMA Emergency Minimal Repair grants and used the money for cleanup, repairs, or temporary rental accommodations and has receipts to document expenditures, no deduction is necessary. However, if the homeowner used the grant to make a mortgage payment or as a down payment on a new home, this is a potential duplication and the community deducts the amount from the purchase offer.
8. If the community is paying the post-flood (or current) fair market value of the property, no deductions for primary provider benefits are required.

<sup>2</sup> Subgrantees may not credit homeowners for the homeowners' own labor hours for repair work.



## Section 11: Project Implementation Requirements

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### **Not a Repayment of Repair Grants**

Note that duplication of benefit deductions are not for the purpose of repaying grants made earlier in the delivery sequence. When the subgrantee identifies a potential duplicative benefit, the HMGP grant (or property purchase price) is reduced by an appropriate amount to avoid duplication.

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### **Duplications and Cost- Share**

Grants, loans, and insurance for the purpose of making disaster repairs are not originally intended for mitigation purposes. Therefore, they cannot be used to match HMGP grants even though they reduce the acquisition costs due to duplication of benefits. This includes regular claims under the National Flood Insurance Program.

The HMGP project cost-share is calculated after duplications are deducted.

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### **Multiple Disasters and Duplications**

If a house has been damaged by multiple disaster events, the subgrantee should determine for which disaster to check duplications. (See item number 2 on the previous page.) Subgrantee should include any event within the last 12 months and others, if they occurred close enough together to limit repairs.

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### **Conditions for Post- Disaster Code Enforcement Projects**

Extraordinary needs associated with enforcing local building codes during post-disaster reconstruction may include the performance of building department functions such as building inspections, and performance of substantial damage determinations under the National Flood Insurance Program. These activities may be eligible for HMGP funding if three conditions are met:

1. The State assesses existing building code and/or zoning and land-use management regulations to determine if they adequately address the identified natural hazard risks in the community. The State determines if the community:
  - ~~///~~ Has adopted one of the three model U.S. building codes;
  - ~~///~~ Has a floodplain management ordinance that meets the minimum requirements of the National Flood Insurance Program; and
  - ~~///~~ Conforms to State-model or State-mandated building codes, as well as model or mandatory floodplain management requirements.
2. The State evaluates the building department to determine that its organization, funding, and enforcement and inspection processes are sufficient to ensure proper enforcement of all applicable laws and ordinances during normal operations.
3. The local community agrees to address any deficiencies identified in this evaluation as a condition of receiving the grant. This agreement can be a simple statement, attached to the evaluation. This agreement should include an implementation schedule that is mutually satisfactory to the State, the community, and FEMA. The agreement should include an acknowledgment by the community that failure to meet the agreed upon implementation schedule can result in the loss of all current and/or future building department assistance used to support post-disaster operations.

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**Mechanisms  
To Conduct  
Assessments**

The State's assessment can be accomplished through various mechanisms. Any assessment should include a discussion of the community's compliance with the National Flood Insurance Program. Suggested approaches include (but are not limited to):

- ~~///~~ Employing a mutual-aid agreement among communities to use other local building officials.
- ~~///~~ Entering into a contractual agreement with a State or regional government entity that is well versed in building codes and proper administration of a building department.
- ~~///~~ Entering into a contractual agreement with one of the three model building code organizations. All three model building code organizations have established programs for conducting similar assessments of building departments.
- ~~///~~ Deploying FEMA mitigation staff that are knowledgeable of building codes and proper building department administration. Former local building officials can often provide the requisite knowledge.
- ~~///~~ Employing the Hazard Mitigation Technical Assistance Program.

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**Allowable  
Costs for  
Grants to  
Building  
Departments**

If the above conditions are met, extraordinary post-disaster code enforcement costs are eligible for up to 6 months. Extraordinary costs are the costs of the department in meeting disaster reconstruction needs after normal costs of the department are deducted.



**TIP: See Section 12, Allowable Project Costs, for a discussion of post-disaster code enforcement costs.**

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**Assistance  
After 6 Months**

If, after 6 months, the community requests additional assistance, the State will conduct a needs assessment to determine if assistance provided to date has been effectively used and if additional assistance is warranted. Assistance beyond 6 months will be granted only in rare instances.

**Acquisitions/  
Relocations**

Generally, HMGP-funded property acquisition projects consist of a community purchasing flood-damaged homes and either demolishing them or physically moving them to a new site outside of the floodplain. The purchased property is then maintained for open-space purposes.

While some communities may elect to develop a new site outside of the floodplain for participating residents to move to, FEMA encourages communities to opt for the simpler acquisition and structure removal model. These projects require only minimal environmental review, are considerably less expensive, and allow homeowners to determine where to relocate.

The guidance that follows is generally aimed at acquisition/structure removal projects.



**TIP: Refer to the Acquisition Guidance for Local Communities for more details.**

**Basic  
Requirements**

State and subgrantees must comply with additional requirements when using HMGP funding for open-space acquisition and/or relocation projects.

Subgrantees receiving assistance for a real property acquisition or building relocation project will enter into an agreement with the State, subject to FEMA concurrence. The agreement will provide assurances that:

- ~~///~~ The subgrantee will inform prospective participants in writing that it will not use its eminent domain authority to acquire their property should negotiations fail, and property owners will voluntarily elect to participate in the program. The community may include an expiration date for this limitation in the letter.
- ~~///~~ With stated exceptions, the property will be used in perpetuity for open space without future construction and in compliance with conservation requirements; and
- ~~///~~ Existing buildings will be removed within 90 days of settlement.

The agreement should include the deed restrictions that will be attached to each property deed as Exhibit A.

See Job Aid 11-2 for Exhibit A. The FEMA Regional Director may concur on a State-local grant agreement that incorporates Exhibit A.



**Job Aid 11-2**

**Property Appraisal and Negotiation**

For each property identified for acquisition, the subgrantee should establish and document a fair market value. The value must be derived from a reasonable methodology that is consistently applied throughout the community. Methods may include:

- ✍* Independent appraisals (recommended);
- ✍* Opinions of value; or
- ✍* A formula based on tax assessments.

Communities may offer up to the pre-event market value of the real property. The State should coordinate with the subgrantee (community) in their determination of whether the valuation should be based on pre- or post-event market value. Post-event (current) market value may be the most efficient method if no damage has occurred to the properties in more than 12 months and they are currently occupied. All appraisals in a given community (i.e., HMGP project area) should be based on the same terms.

The community should ensure that all property owners are treated fairly and are offered an equitable package of benefits. As detailed above in the Duplication of Benefits subsection, the subgrantee must make certain deductions from the established pre-event fair market value before making a purchase offer to the property owner.



**TIP: See pages 11-5 through 11-7 for further details on Duplication of Benefits.**

**National Flood Insurance Program Credits**

The State has the option to allow communities to provide a credit to property owners with flood insurance. In this case, the subgrantee would increase the purchase offer by an amount equal to up to 5 years of flood insurance premiums actually paid by the current property owner for a National Flood Insurance Policy for structure coverage.

**Notification of Acquisition Price**

The acquiring entity (subgrantee) informs each property owner, in writing, of what it considers to be the fair market value of the property. The subgrantee may wish to set a time limit with the property owner for the validity of a purchase offer.

If several different entities or programs are acquiring property in the same area, property owners may find it confusing if different offers are made to area owners at different times. To avoid any negotiation difficulties or confusion, the local community should coordinate the release of appraisal information and purchase offers to property owners for the various programs.

**Negotiating With Property Owners Who Purchased Damaged Property After the Event**

The benefit of payment of pre-event value is only available to owners who owned the property during the event. If the current property owner purchased the disaster damaged property after the disaster declaration, then the community cannot offer the owner more than the post-event fair market value (i.e., the amount paid by the current owner for the damaged property or the current appraised fair market value, whichever is higher, in order to account for any improvements to the property or other reasonable property value increases).

**Avoiding Provision of Assistance to Unlawful Residents of the U.S.**

To comply with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193), as subgrantees implement acquisition projects, they will ensure that only U.S. citizens and qualified aliens receive offers for the pre-event value of their damaged homes. A qualified alien is defined as someone from one of the following groups:

- Lawful permanent residents;
- Refugees;
- Asylees;
- Persons who have had their deportation withheld;
- Parolees admitted for at least one year;
- Aliens who have been present since before April 1, 1980; or
- Certain battered aliens and alien parents of battered children under certain conditions.

Subgrantees will ask all acquisition project participants (property owners) to certify that they are either a U.S. citizen or qualified alien. Subgrantees will offer participants who refuse to certify, or are not U.S. citizens or qualified aliens, no more than the appraised current fair market value for their property. Participants who refuse to certify, or are not U.S. citizens or qualified aliens, also may not receive additional non-URA relocation assistance described on Page 11-13.

Subgrantees may use FEMA Form 90-69D (Job Aid 11-7) to obtain certification from participating property owners. At the time of certification, the subgrantee will ask the property owner to show a form of identification (any identification displaying the signer's name will suffice). If the property owner applied for FEMA disaster assistance, a 90-69D will already be on file at FEMA and the subgrantee will instead request verification from FEMA through the State that a certification is on file.



Though subgrantees do not request property owners to display proof that they meet the qualified alien status, FEMA may later audit applications to verify the status.



**TIP: Please see Page 11-25 for details on how to avoid provision of URA assistance to unlawful residents who are tenants of property to be acquired.**

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**Additional  
Non-URA  
Relocation  
Assistance**

There may be a shortfall between the amount the community pays an owner for his or her damaged residence and the cost of a comparable replacement home in a non-hazardprone location. The State may allow the community to provide owner-occupants the difference between the two amounts up to \$22,500<sup>1</sup>. The subgrantee must demonstrate that all of the following circumstances exist:

- ~~///~~ Decent, safe, and sanitary housing of comparable size and capacity is not available in non-hazardprone sites within the nearby community at the anticipated acquisition price of the property being vacated;
- ~~///~~ The project would otherwise have a disproportionately high adverse effect on low-income or minority populations because project participants within those populations would not be able to secure comparable decent, safe, and sanitary housing; and
- ~~///~~ Funds cannot be secured from other more appropriate sources such as housing agencies or voluntary groups.

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**Clear Title  
Required at  
Purchase**

The subgrantee will conduct a title search for each property it plans to acquire with HMGP funds. The purpose of the title search is to ensure that the owner is really the titleholder to the property and that the title is clear (no one else has an interest in the property). This means that there are no mortgages or liens outstanding at the time of sale. In addition, there may not be incompatible easements or other encumbrances to the property that would make it either ineligible for acquisition or noncompliant with HMGP land use restrictions.

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**Subgrantee  
Takes  
Ownership**

Depending upon the scope of the project, title to the property is treated in one of two ways:

- ~~///~~ The subgrantee acquires or accepts the full title (preferred method); or
- ~~///~~ The subgrantee acquires a conservation easement that runs with the property in perpetuity if more appropriate to the situation. The easement restricts use of the land to open space and the original owner retains title and the right to use the property for farming or quiet enjoyment.

The subgrantee takes possession (if applicable) at settlement. The deed transferring title to the property will be recorded with restrictions according to State law within 14 days after settlement and will run with the land in perpetuity.

<sup>1</sup>This dollar amount is consistent with the limits for relocation payments set by the URA.

**Conservation Easements as an Alternative to Purchase of Full Title**

A conservation easement allows the subgrantee to restrict use of the land, and remove associated structures not compatible with open-space use without taking full title to the property. Large parcels and agricultural land often are beneficial to the community for the agricultural value as well as the inherent open-space value of such land. In many cases, by purchasing a conservation easement, the community is able to retain these benefits, while restricting improvements or uses of this land which are not compatible with open-space uses.

Appraising the value of a conservation easement should take into account the loss of development rights on the impacted parcel. However, if the parcel will continue to be used for cultivation or other profitable recreational use, then this increases the benefit of the easement to the owner and should also be accounted for in the appraisal.

Conservation easements are intended to benefit a property owner who wishes to sell their house and restrict development, but wants to retain quiet enjoyment of the open space land.

In situations where the community is only acquiring a conservation easement to the property, they can provide the property owner an additional incentive to accept the offer by:

~~///~~ Paying to physically relocate the damaged structure to a new site outside of the floodplain; or

~~///~~ Paying the pre-event value of the structure and demolition and removal costs.

**Treatment of Agricultural Properties**

A community may include agricultural properties in its acquisition/relocation or elevation projects under Section 404. However, due to the large tracts of land and unique issues involved, these projects require special consideration. FEMA suggests that communities work with farm property owners on a case-by-case basis to negotiate an agreement (within the below options) that is acceptable to the farmer, the community, the State, and FEMA.

FEMA requests that the community take into consideration the cost of the project and the mitigation benefit to be gained in determining what type of offer to make to a farm property owner, as these factors will be considered by FEMA in its review for funding approval. All HGMP projects must be cost-effective.

***Options for  
Agricultural  
Land  
Acquisition***

The methods which can be used to deal with agricultural property are listed below. The option selected will depend upon the situation of the farmer and the property.



## Section 11: Project Implementation Requirements

### **Subgrantee Responsi- bility and Deed Restriction**

As a condition of receiving the grant, the State and the applicants agree to ensure that:

- ~~/~~ The owner and all subsequent owners will dedicate and maintain the property in perpetuity for uses compatible with open-space, recreational, or wetlands management practices;
- ~~/~~ The property acquired, accepted, or from which structures are removed will carry a permanent deed restriction providing that the property be maintained for open-space, recreational, or wetlands management purposes only;
- ~~/~~ No new structures will be built on the property except as indicated below:
  - ?? A public building that is open on all sides and functionally related to a designated open-space or recreational use;
  - ?? A public restroom; or
  - ?? A structure that is compatible with open-space, recreational, or wetlands management usage and proper floodplain management policies and practices, which the Director approves in writing before the construction of the structure begins;
- ~~/~~ Any structures built on the property according to the third subparagraph above will be elevated or floodproofed to the base-flood elevation plus 1 foot of freeboard and meet applicable requirements of the National Flood Insurance Program floodplain management regulations at 44 CFR 60.3;
- ~~/~~ The deed restriction must stipulate that no future disaster assistance for any purpose from any Federal source will be sought or provided with respect to the property (insurance claims such as National Flood Insurance Program and Federal Crop Insurance are not considered disaster assistance);
- ~~/~~ After settlement, no person or group may make application for additional disaster assistance for any purpose with respect to the property to any Federal entity or source, and no Federal entity or source will provide such assistance;
- ~~/~~ In fee simple transactions, the deed restriction must also stipulate that the subgrantee must obtain the approval of the State grantee agency and the FEMA Regional Director before conveying ownership of the property to another public agency or qualified private non-profit organization. Property transfer to private citizens and corporations will not be approved. All development rights in the form of an easement on the property must be retained by the subgrantee or other public agency; and
- ~~/~~ The subgrantee accepts responsibility for monitoring and enforcing the deed restriction and/or easement language.



**Removal of Existing Structures**

The subgrantee takes possession of the property at settlement. The subgrantee must ensure that all structures are removed from the property within 90 days of property settlement and disposed of in accordance with applicable laws. The FEMA Regional Director can grant an exception to this requirement if extenuating circumstances exist.

Any relocated buildings will be placed on a site outside of Special Flood Hazard Areas or any other identified hazard areas, and at a distance at least 60 times the average annual erosion rate measured from an appropriate "erosion reference feature." The owner will ensure the building is brought into compliance with all applicable Federal, State, and local laws and regulations.

In certain instances, the demolition and debris removal related to acquired structures may be eligible for reimbursement under FEMA's Public Assistance program if the structures represent a health and safety hazard as a result of the disaster. Check with your Public Assistance Officer before assuming these costs are eligible under that program. If the costs of demolition do not qualify for Public Assistance, they are allowable costs under HMGP. If any parts of the structure are sold for salvage value, this amount reduces the total cost of the project before cost shares are calculated.

**Managing Purchased Land as Open Spaces**

The subgrantee must provide for the continued maintenance of the property once the initial debris removal, vegetative site stabilization, and new landscaping are complete.

FEMA encourages subgrantees to post a notice on the property indicating the open space designation.

In general, allowable open-space, recreational, and wetland management uses include parks for outdoor recreational activities, nature reserves, cultivation, grazing, camping (except where adequate warning time is not available to allow evacuation), temporary storage in the open of licensed wheeled vehicles which are easily moveable (except manufactured homes), unpaved, permeable parking lots, and buffer zones.

If communities wish, they may purchase the development rights to agricultural properties and allow the farmer to continue farming the land, but not to live there. Cultivation is an acceptable open-space use under 44 CFR 206.434.



Regardless of the type of new use of the land, no future Federal disaster assistance will be provided with respect to the property.

**Procedure To Transfer Ownership**

The subgrantee or other public property owner will seek the approval of the State grantee agency and the FEMA Regional Director before conveying ownership of the property to any other party.

All development rights to the property must be retained by the subgrantee or other public entity or qualified private non-profit conservation organization. The FEMA Regional Director will only approve the transfer of properties that meet the criteria identified above.

**Environmental Review of Subsequent Activities**

Future activities which occur on the acquired property after deed transfer, although required to be consistent with the authorized land uses, is not required to undergo National Environmental Policy Act evaluation because it is not part of the major Federal action as defined under NEPA.

## Section 11: Project Implementation Requirements

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### **Monitoring and Enforcing Deed Restrictions**

In order to carry out tasks associated with monitoring, the subgrantee, State, or FEMA has the right to enter the parcel, with notice to the parcel owner, to ensure compliance with land use restrictions. Subgrantees may identify the open space nature of the property on local tax maps to assist with monitoring.

Whether the subgrantee obtains full title or a conservation easement on the parcel, the State will work with subgrantees to ensure that the property is maintained in accordance with land use restrictions. Specifically, the State may:

- ~~///~~ Monitor and inspect the parcel every two years and certify that the inspected parcel continues to be used for open space or agricultural purposes; and
- ~~///~~ Take measures to bring a non-compliant parcel back into compliance within 60 days of notice.

Only as a last resort, FEMA reserves the right to require the subgrantee to bring the property back into compliance and transfer the title and easement to a qualified third party for future maintenance.

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### **Allowable Open Space Uses**

The list below is a guide to open space use that addresses typical situations; however, the subgrantee and State should review every situation using the regulations, open space intent, and floodplain management principles. The local floodplain administrator should review all proposed use of acquired floodplain land.

Communities may re-use existing paved impervious surfaces for recreational uses, however, they should remove paved impervious surfaces beyond that directly required for such uses. Communities will use pervious materials where feasible for allowable uses, particularly trails. Examples include grass, hard-packed earth, porous paving material or tile systems, and graded gravel.

Communities may creatively salvage pre-existing structures on the acquired property. In some cases, the complete demolition of a structure may not be necessary; it may be possible to convert a closed-in structure with walls, such as a house, into an open pavilion with a concrete slab floor and posts supporting the roof. The community may lease the property to private interests for allowable uses.

Allowable uses include:

1. Reforestation and planting of vegetation, agricultural cultivation, and grazing.
2. Picnic shelters, pavilions, and gazebos, with associated foundations, provided that the structure does not contain walls.
3. Restrooms are the only walled and roofed buildings that are allowed.
4. Tennis courts, basketball courts, ball fields, golf courses, miniature golf, open-air amphitheaters, other small-scale recreational courts, bike and walking paths.
5. Camping, except where adequate warning time is not available to allow evacuation.
6. Installation of signs.

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**Allowable  
Open Space  
Uses**  
(Continued)

7. Simple agricultural structures (see Crop Storage facilities discussion below).
8. Unimproved, pervious (porous or permeable surface) parking. Communities may make accommodations for special needs, such as a limited area of paved parking for handicap accessibility.
9. Roads, driveways, camping pads limited to those necessary to serve the acceptable uses. Existing paved roads can be reused for these purposes.
10. Small boat ramps, docks, and piers to serve a public recreational use.
11. Drainage facilities intended to service on-site needs.
12. Construction activities, excavation, and other minor water control structures necessary to create areas for water detention/retention including wetlands restoration or restoration of natural floodplain floodwater storage functions.
13. Sewer, water, and power to serve the allowable uses. Sewer, water, and power line crossings, where there is no floodwater obstruction created and there are no other readily available locations for these systems.

Other uses determined by the State and the Regional Office to be consistent with the deed restrictions, grant agreement, and floodplain management requirements.

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**Unallowable  
Open Space  
Uses**

The following uses are generally not allowed on acquired open space land:

1. The construction of flood damage reduction levees, dykes, berms, or floodwalls.
2. All walled buildings or manufactured homes, except restrooms. Re-use of pre-existing structures, unless all walls are removed.
3. Fences and all other obstructions in the floodway. Fences outside of the floodway must be designed to trap a minimum amount of debris.
4. Storage of inventory supporting a commercial operation or governmental facility, except for temporary storage in the open of wheeled vehicles. Long-term storage of very limited amounts of equipment, such as lawnmowers, necessary for maintenance of the acquired open space land is acceptable.
5. Cemeteries, landfills, storage of any hazardous or toxic materials, or other uses that are considered environmentally contaminating, dangerous, or a safety hazard.
6. Pumping and switching stations.
7. Above or below ground storage tanks.
8. Impervious parking. Impervious parking includes asphalt, concrete, oil treated soil, or other impervious material.

## Section 11: Project Implementation Requirements

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### **Unallowable Open Space Uses** (Continued)

9. Use of off-site fill, except where necessary to avoid impacting on-site archeological resources. Grading using on-site soil is permissible.
10. Installation of septic systems or re-use of pre-existing septic systems, except to service a permissible restroom.

Any uses determined by the State, Region, or Director as inconsistent with the regulations or deed restrictions.

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### **Crop Storage Facilities on Open Space**

Some limited crop storage capacity on-site is necessary in order for the farmer to operate successfully. A limited exception to the development restrictions exists in order to allow limited construction of such storage facilities.

The exception applies only to projects in which the purchasing communities and the sellers agree to execute an easement using the recommended language in Job Aid 11-3: Exhibit B, which is attached to and recorded with the deed (or a more restrictive version). This language (and the exception) should only be used for the purchase of agricultural property. Other projects should use the more restrictive development prohibitions listed in 44 CFR 206.434.



Facilities allowed under the exception include simple agricultural structures used exclusively for agricultural purposes in connection with the production, harvesting, storage, drying, or raising of agricultural commodities, including livestock, and limited to the following:

- ~~///~~ General purpose barns for the temporary feeding of livestock which are open on at least one side;
- ~~///~~ Pole-frame buildings with open or closed sides used exclusively for storage of farm machinery and equipment, and related agricultural items; and
- ~~///~~ Steel grain bins and steel-frame corn cribs.

The Director of FEMA may approve, on a case-by-case basis, the erection of structures which do not meet the criteria above before commencement of construction. However, the structure must be constructed in compliance with the community's floodplain management ordinance, meet NFIP minimum requirements, and be compatible with open-space uses and floodplain management policies and practices.

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### **Agricultural Properties and Future Disaster Assistance**

For the purposes of the prohibition against disaster assistance for land or easements purchased with HMGP funds, benefits under the Federal Crop Insurance Act will be treated as described below.

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### **Uninsurable Crops**

Crops for which insurance is not available will not be eligible for any disaster assistance and are grown at the farmer's risk.

Payment through the Non-Insured Crop Disaster Assistance Program (NAP), 7 U.S.C. Section 1519, for damage to crops for which insurance is not available, is "disaster assistance," and will not be available to owners of open space-restricted land.

**Insurable  
Crops**

Benefits obtained through crop insurance programs offered under the Federal Crop Insurance Act, as amended, 7 U.S.C. Section 1501 et seq., are not considered “disaster assistance,” and will be available to owners of FEMA-restricted properties.

**Applicability  
of the URA**

The Uniform Relocation Assistance and Real Property Acquisition Policies Act (also known as the Uniform Relocation Act, or URA) mandates that property owners receive just compensation for their property and relocation assistance from Federally supported acquisition programs. This act also sets specific time limits and places other requirements on the acquiring agency.

There are exceptions to most URA provisions, however, for voluntary transactions which meet the specific criteria found at 49 CFR 24.101(a). These criteria require that the acquiring agency (subgrantee) inform the property owner in writing:



~~///~~ That it will not use its power of eminent domain to acquire the property in the event negotiations fail; and

~~///~~ What it believes to be the fair market value of the property.

Additionally, the property may not be part of an intended, planned, or designated project area where all or substantially all of the properties in the area is to be acquired within specific time limits. To meet the criteria, no specific property must be acquired in order to satisfy the program needs.

**Notice of  
Voluntary  
Nature of  
Project**

Please note that this guidance on the URA is a summary of the requirements of 49 CFR Part 24. Those regulations supercede this guidance if any conflict is perceived.

Generally, most HMGP open-space acquisitions meet this voluntary exception because projects must be voluntary. FEMA recommends that the property owner and the subgrantee sign a Statement of Voluntary Participation (see Job Aid 11-4). This ensures that the property owner understands that he or she is not automatically eligible for additional relocation benefits beyond the purchase price of the property. The statement also protects the community if a dispute arises later. The community retains the statement in its records, but does not need to submit it to FEMA.



Job Aid 11-4

## Section 11: Project Implementation Requirements

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### **Mandatory URA Assistance for Displaced Tenants**

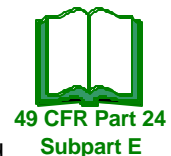
Exceptions to this voluntary rule are all tenants and mobile home owners who rent homepads. Tenants who must relocate as a result of acquisition of their housing are entitled to Uniform Relocation Act relocation benefits (such as moving expenses, replacement housing rental payments, and relocation assistance advisory services), regardless of the owner's voluntary participation. This includes owners of manufactured homes who lease the pad site.



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### **Displaced Tenants**

The amount of assistance the community must pay to the tenant is derived from 49 CFR Part 24, Subpart E. The Uniform Relocation Act states that an eligible displaced tenant is entitled to:



~~///~~ Reasonable out-of-pocket (or fixed schedule) moving expenses; and

~~///~~ Compensation for a reasonable increase in rent and utility costs incurred in connection with the relocation.

A tenant displaced from a dwelling due to a Federally funded acquisition project is entitled to a rental increase payment if:

~~///~~ That tenant rents or purchases and occupies a decent, safe, and sanitary replacement dwelling within 1 year after the date he or she moves out of the original dwelling; and

~~///~~ The tenant occupied the displacement dwelling for the 90 days preceding the negotiations for acquisition of the property.

(The initiation of negotiations is defined as the first formal indication that the subgrantee wants to purchase a particular property.)

Any tenant who occupied the dwelling prior to a disaster event is usually eligible. The exception to this is if the project negotiations are unrelated to a disaster event or begin so long after the event that the event is no longer a relevant factor. If the dwelling is reinhabited after the event, former tenants are generally not eligible.

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### **Compensation for a Reasonable Increase in Rent**

Compensation for rent increase is 42 times the amount which is obtained by subtracting the "base monthly rent" for the displacement dwelling from the monthly rent and average monthly cost of utilities for a comparable replacement dwelling, or the decent, safe, and sanitary replacement dwelling now occupied by the displaced person.

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### **Base Monthly Rent**

The "base monthly rent" for the displacement dwelling is the lesser of the average monthly cost for utilities plus the rent at the displacement dwelling as determined by FEMA, or 30 percent of the tenant's average gross household income. (The URA regulations define "tenant" as any individual, family, partnership, corporation, or association.)

A rental assistance payment may, at the subgrantee's discretion, be disbursed in either a lump sum or in installments. However, if any HUD programs are providing partial funding for the project, check to ensure lump sum disbursements are allowed.

**Maximum  
Rental  
Increase  
Payment**

The rental increase payment may not exceed a total of \$5,250. Communities may and should exceed this limit in extraordinary circumstances, if necessary to ensure that a displaced tenant will be able to obtain and retain a decent, safe, and sanitary comparable unit outside of the high-hazard area.

**Owners of  
Manufactured  
Homes**

Mobile home owners who lease a homepad and who must relocate to a new homepad as the result of acquisition of their pre-disaster homepad are entitled to URA relocation benefits and replacement housing payments, regardless of the homepad owner's voluntary participation. A person who rents both the mobile home and homepad is considered a tenant and would be compensated using assistance outlined for tenants.

Displaced mobile home owners who rent their homepads are entitled to assistance detailed below in a) and either b) or c). However, in only rare cases may the combination of the two types of URA assistance exceed \$22,500.

- a) Homepad Rental Assistance: The displaced mobile home owner and homepad renter is entitled to compensation for rental and utility increases resulting from renting a comparable homepad and moving expenses as detailed in the section for tenants. Compensation for homepad rent increase is also 42 times the amount which is obtained by subtracting the "base monthly rent" for the displacement homepad from the monthly rent and average monthly cost of utilities for a comparable replacement homepad. The rental increase payment may not exceed a total of \$5,250.
- b) Replacement Housing Assistance: For URA purposes the displaced mobile home owner is considered to be involuntarily displaced from his or her residence due to the homepad owner (landlord) selling that property. Therefore, if the mobile home is purchased, the displaced mobile home owner is also entitled to replacement housing assistance to compensate for his or her need to find replacement housing. Compensation for mobile home replacement is equivalent to the amount which is obtained by subtracting the value of the displacement mobile home from the cost of a new replacement mobile home. In acquisition projects where the mobile homes are intact and are being relocated to new homepads, there is no difference. The replacement housing payment may not exceed a total of \$22,500.



If the owner is also being compensated for homepad rental increase, then the combination of rental and relocation assistance may not exceed a total of \$22,500.

- c) Costs To Move a Manufactured Home: If the manufactured homeowner wishes to move their existing home to a new site, rather than sell it, those moving costs are eligible. The reasonable cost of disassembling, moving, and reassembling any attached appurtenances, such as porches, decks, skirting and awnings, anchoring the unit, and utility hook-up charges are included.



See Job Aid 11-5 for a sample Relocation Notice and Job Aid 11-6 for a Sample Log for Receipt of Relocation Notice.

**Job Aid 11-5  
and 11-6**



## Section 11: Project Implementation Requirements

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### **Use of URA Payments**

Relocation assistance payments for tenants are intended to ensure that these individuals are able to relocate to decent, safe, and sanitary comparable replacement dwellings outside the floodplain or hazard area. If a tenant chooses to purchase a replacement dwelling, the tenant may apply the amount of rental assistance to which he or she would be entitled towards the downpayment. Similarly, if a mobile home owner who rents a homepad chooses to purchase a replacement pad or lot, the mobile home owner may apply the amount of rental assistance to which he or she would be entitled towards the downpayment.

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### **Avoiding Provision of URA Assistance to Unlawful Residents of the U.S.**

A person who is an alien not lawfully present in the United States is not eligible to receive URA relocation benefits or relocation advisory services. The State may approve exceptions if unusual hardship to the alien's spouse, parent, or child who is a U.S. citizen or an alien admitted for permanent residence, would otherwise result.

Subgrantees will ask tenants who are potential recipients of URA assistance to certify that they are a U.S. citizen or are lawfully present in the U.S. Subgrantees will not provide URA assistance to participants who refuse to certify or are not a U.S. citizen or lawfully present.

Please refer to 49 CFR Part 24 as updated by the February 12, 1999 final rule change for detailed instructions to comply.





**Hazardous Materials—Property Survey**

*Note: This is an optional form – used only if contamination is suspected.*

NAME OF OWNER(S) [1]  
[2]  
[3]

PROPERTY ADDRESS: \_\_\_\_\_

TOWN: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

OWNER(S) ADDRESS: \_\_\_\_\_

TOWN: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

PHONE NUMBER OF OWNER(S): [1] ( ) - \_\_\_\_\_  
[2] ( ) - \_\_\_\_\_  
[3] ( ) - \_\_\_\_\_

I (We), \_\_\_\_\_ as owner(s) of the above referenced property that lies within the jurisdiction of \_\_\_\_\_, in the State of \_\_\_\_\_, represent and certify that I (we) have used due diligence to determine, to the best of my (our) knowledge, that the description of the property described herein is accurate with respect to the presence or absence of contamination from toxic or hazardous substances. The term “property” refers to the physical piece of legally recorded land that is to be acquired.

1. Is or was the property currently or previously used for governmental, commercial, light industrial, or industrial activities?  Yes  No

If yes, list specific type and nature.

2. Are there any Aboveground Storage Tanks (AST), Underground Storage Tanks (UST), or Leaking Underground Storage Tanks (LUST) present on the property?  Yes  No

If yes, list type of each tank, capacity, and condition.

3. Is there presently or has there been in the past any generation, treatment, storage, disposal, release, or spill of petroleum products, or solid or hazardous substances and/or wastes (this includes pesticides, herbicides, or rodenticides), other than normal quantities of household substances?  Yes  No

If yes, list type of activity, substance, and quantity involved.



*Hazardous Materials—Property Survey (Continued)*

4. Is there presently or has there been in the past a transportation facility on what is now your property? This includes parking lots, railroad yards, and railroad or roadway right-of-way.  Yes  No

If yes, list type of facility or activity.

5. Have you noticed any unusual odors or discoloration in your drinking water or on your property?  Yes  No

If yes, describe the location, color, and odor of the water.

6. For your property, is there presently or has there been in the past any:  Yes  No

(A) environmental investigations conducted by Federal, State, local government agencies, or private firms; or

(B) environmental or Occupational Safety and Health Administration (OSHA) citations or notices of violation?

If yes, list the type of investigation or violation and the preparer or origin of the investigation or violation.

7. Are there any drinking water wells or sewage septic tanks/systems on your property, or do any of the structures contain asbestos or lead containing materials?  Yes  No

If yes, please list and describe.

8. If there are any issues not raised by the previous questions, please attach an extra sheet describing the issues.  Yes  No





**Hazardous Materials—Property Survey (Continued)**

The property owner(s) acknowledge that this certification regarding hazardous substances and/or waste is a material representation of fact upon which the Hazard Mitigation Grant Applicant (local government) and other government entities rely upon to execute the property purchase. The property owner(s) certify that the information contained within this Hazardous Materials – Property Survey Form is a full disclosure of all available information to the best of their knowledge and that the owner(s) has exercised due diligence in obtaining all relevant information.

Preparer

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Typed or Printed Name:

Title:

Owner(s)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Typed or Printed Name:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Typed or Printed Name:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Typed or Printed Name:



*Exhibit A—Attached to Warranty Deed*

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**For fee simple acquisition (acquiring title to land), use Exhibit A**

FEMA Regional Director should concur on the State-applicant agreement, which must reference and attach Exhibit A.

The applicant shall reference Exhibit A in the deed and record it with the deed.

**EXHIBIT A**

In reference to the Deed between [property owner] participating in the FEMA acquisition project (“the Grantor”) and [the Village/City/County], (“the Grantee”):

WHEREAS, The Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended (“The Stafford Act”), identifies the use of disaster relief funds under Section 404 (Hazard Mitigation Grant Program, “HMGP”), including the acquisition and relocation of structures in the floodplain;

WHEREAS, Section 404 of the Stafford Act provides a process for a Community, through the State, to make application for funding to be used to acquire interests in property, including the purchase of structures in the floodplain, to demolish and/or remove the buildings, and to convert the land use into perpetual open space;

WHEREAS, the [State] has made such application and has entered into a FEMA-State Agreement dated [date] and herein incorporated by reference;

WHEREAS, the [Village/City/County], acting by and through the [Village/City/County] Board, has entered into a cooperative grant agreement with [State] dated [date] (“Grant Agreement”), [OPTIONAL include the following if the agreement is attached to the deed: and herein incorporated by reference];

WHEREAS, the terms of the Stafford Act, regulations promulgated thereunder (44 C.F.R. § 206.434), and the FEMA-State Agreement require that the Grantee agree to conditions which are intended to restrict the use of the land to open space in perpetuity in order to protect and preserve natural floodplain values; and





*Exhibit A—Attached to Warranty Deed (Continued)*

NOW, THEREFORE, the grant is made subject to the following terms and conditions:

1. Terms. Pursuant to the terms of the Stafford Act, regulations promulgated thereunder (44 C.F.R. 206.434), as they read now and may be amended in the future, and the FEMA-State Agreement, the following conditions and restrictions shall apply in perpetuity to each property described in the attached deed and acquired by the Grantee pursuant to the Stafford Act § 404 acquisition program:
  - a. Compatible Uses. The land shall be used only for purposes compatible with open space, recreational, or wetlands management practices; in general, such uses include parks for outdoor recreational activities, nature reserves, unimproved permeable parking lots and other uses described in 44 C.F.R. § 206.434, as it reads now and may be amended in the future.
  - b. Structures. No new structures or improvements shall be erected on the property other than:
    - i. A public facility that is open on all sides and functionally related to the open space use;
    - ii. A public rest room; or
    - iii. A structure that is compatible with the uses described in Paragraph 1(a), above, and approved by the Director in writing prior to the commencement of the construction of the structure.

Any structures built on the property according to this paragraph shall be floodproofed or elevated to the Base Flood Elevation plus one foot of freeboard.
  - c. Disaster Assistance. No future disaster assistance from any Federal source for any purpose related to the property may be sought, nor will such assistance be provided;
  - d. Transfer. The Grantee agrees that it shall convey any interest in the property only with prior approval of the transferee from the Regional Director of FEMA and only to another public entity or to an organization qualified under Section 170(h) of the Internal Revenue Code of 1954, as amended, and applicable regulations promulgated thereunder. However, the Grantee may convey a lease to a private individual or entity for purposes compatible with the uses described in Paragraph 1(a), above, including agriculture, with the prior approval of the Regional Director.

If title to the property is transferred to a public entity other than a qualified state or federal agency with a conservation mission, it must be conveyed subject to a Conservation Easement that shall be recorded with the deed and shall incorporate all terms and conditions set forth herein, including the easement holder's responsibility to enforce the easement. This shall be accomplished by one of the following means:

- i. The Grantee shall convey, in accordance with section (d), above, a conservation easement to someone other than the title holder, or
    - ii. At the time of title transfer, the Grantee shall retain such conservation easement, and record it with the deed.
2. Inspection. FEMA, its representatives, and assigns, including [State], shall have the right to enter upon the property, at reasonable times and with reasonable notice, for the purpose of inspecting the property to ensure compliance with the terms of the grant.





*Exhibit A—Attached to Warranty Deed (Continued)*

3. Monitoring and Reporting. Every two (2) years on [date], the Grantee, through [State], shall submit to the FEMA Regional Director a report certifying that the Grantee has inspected the subject property within the month preceding the report, and that the property continues to be maintained consistent with the provisions of the grant.
4. Enforcement. If the subject property is not maintained according to the terms of the grant, the Grantee, [State], and FEMA, its representatives, and assigns are responsible for taking measures to bring the property back into compliance.
  - a. The State will notify the Grantee in writing and advise the Grantee that it has 60 days to correct the violation.
  - b. If the Grantee fails to demonstrate a good faith effort to come into compliance with the terms of the grant within the 60-day period, the State shall enforce the terms of the grant by taking any measures it deems appropriate, including but not limited to bringing an action at law or in equity in a court of competent jurisdiction.
  - c. FEMA, its representatives and assigns may enforce the terms of the grant by taking any measures it deems appropriate, including but not limited to the following:
    - i. Requiring transfer of title in accordance with Paragraph 1(d). The Grantee shall bear the costs of bringing the property back into compliance with the terms of the grant; or
    - ii. Bringing an action at law or in equity in a court of competent jurisdiction against the State or the Grantee.
5. Severability. Should any provision of this grant or the application thereof to any person or circumstance be found to be invalid or unenforceable, the rest and remainder of the provisions of this grant and their application shall not be affected and shall remain valid and enforceable.

[Signed by Grantor(s) and Grantee, witnesses and notarization in accordance with local law.]

\_\_\_\_\_  
Grantor's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (printed or typed)

\_\_\_\_\_  
Grantee's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Grantee's Name

\_\_\_\_\_  
Grantee's Title



**Exhibit B—Conservation Easement**

**For acquisition projects on large parcels and agricultural properties use Exhibit B.**

- 1) FEMA Regional Director should concur on the State-applicant agreement which must reference and attach Exhibit B.
- 2) The applicant shall reference Exhibit B in the deed and record it with the deed.

[Community]

Project No.: \_\_\_\_\_

Parcel No.: \_\_\_\_\_

**EXHIBIT B**

WHEREAS, The Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended ("Stafford Act"), identifies the use of disaster relief funds under Section 404 (Hazard Mitigation Grant Program, "HMGP"), including the acquisition and relocation of structures in the floodplain;

WHEREAS, Section 404 of the Stafford Act provides a process for a Community, through the State, to make application for funding to be used to acquire interests in real property, demolish or relocate structures on acquired property, and convert the property into open space;

WHEREAS, the [State] has made such application and has entered into a grant agreement with FEMA, date [date], and herein incorporated by reference;

WHEREAS, Grantee, acting by and through the [Community] Board, has entered into a cooperative sub-grant agreement with [State], date [date], and herein incorporated by reference;

WHEREAS, the terms of the Stafford Act, regulations promulgated thereunder (44 C.F.R. § 206.434), and the grant sub-grant agreement require that Grantee agree to conditions which are intended to restrict the use of the land to open space in perpetuity in order to protect and preserve natural floodplain values;

WHEREAS, [State] also has recognized the need to preserve the natural and open condition of the land and so authorizes conveyance of an easement to that end under the provisions of [the state law, cite];

WHEREAS, the [Community] Board has determined that it is necessary in order to promote the public interest for the purposes provided in the Stafford Act to acquire a conservation easement to this certain real property owned by the Grantor;







***Exhibit B—Conservation Easement (Continued)***

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NOW, THEREFORE, the Grantor, for and in consideration of the opportunity to participate in the FEMA-funded acquisition project, does voluntarily grant and convey to the Grantee a conservation easement in perpetuity over the property situated in the [Community], County of [county], State of [state] and described in Attachment A.

1. **Purpose.** This grant of a conservation easement is made for conservation purposes in order to restrict the use of the land to open space in perpetuity to protect and preserve natural floodplain values and to prevent any future use of the property that will significantly impair or interfere with the open space values of the property.
2. **Terms.** In order to accomplish the purposes of this easement and, pursuant to the terms of the Stafford Act, regulations promulgated thereunder (44 C.F.R. 206.434), as they read now and may be amended in the future, the FEMA-State Agreement, and the Grant Agreement, the following conditions and restrictions shall apply in perpetuity and shall run with the land as an incorporeal interest in the property described in Attachment A:
  - a. **Compatible uses.** The land shall be used only for purposes compatible with open space, recreational, or wetlands management practices; in general, such uses include parks for outdoor recreational activities, nature reserves, unimproved pervious parking lots and other uses described in 44 C.F.R. § 206.434, as it reads now and may be amended in the future.
  - b. **Structures.** No new structures or improvements shall be erected on the property other than:
    - i. A public facility that is open on all sides and functionally related to the open space use;
    - ii. A public rest room;
    - iii. A structure that is compatible with the uses described in Paragraph 2(a), above, and approved by the Director in writing prior to the commencement of the construction of the structure; or
    - iv. Simple agricultural structures used exclusively for agricultural purposes in connection with the production, harvesting, storage, drying, or raising of agricultural commodities, including livestock, and limited to—
      - a) General purpose which are open on at least one side and are for the temporary storage of livestock.
      - b) Pole frame buildings with open or closed sides used exclusively for storage of farm machinery and equipment, and related agricultural items.
      - c) Steel grain bins and steel frame corn cribs.





**Exhibit B—Conservation Easement (Continued)**

[OPTIONAL include the following if applicable: provided that (a) the structure is the subject of approval by the County in accordance with the provisions of the [County Flood Plain Code, Section number et seq. of the County Flood Plain Code name, State, as they now read and as they may be amended in the future, and (b) NFIP requirements for wet-floodproofing (or dry-floodproofing or elevation, where practicable) are met, pursuant to 44 C.F.R. 60.3;]

Any structures built on the property according to this paragraph shall be floodproofed or elevated to the Base Flood Elevation plus one foot of freeboard.

- c. Disaster Assistance. No future disaster assistance from any Federal source for any purpose related to the property may be sought, nor will such assistance be provided;
- d. Transfer. The Grantee agrees that it shall convey the easement only with prior approval by the Regional Director of FEMA of the transferee. The easement may be transferred only to someone other than the title holder and only to another public entity or to an organization qualified under Section 170(h) of the Internal Revenue Code of 1954, as amended, and applicable regulations promulgated thereunder, and authorized to acquire and hold conservation easements.
  - i. The Grantor may convey title, an easement, license, lease, or other interest in the land. Such conveyance, whether implied or express, shall be subject to all conditions and restrictions described herein, which shall run with the land in perpetuity.
3. Inspection. The Grantee and FEMA, its representatives, and assigns, including [State], shall have the right to enter upon the property, at reasonable times and with reasonable notice, for the purpose of inspecting the property to ensure compliance with the terms of the easement.
4. Monitoring and Reporting. Every two (2) years on [date], the Grantee, through [State], shall submit to the FEMA Regional Director a report certifying that the Grantee has inspected the subject property within the month preceding the report, and that the property continues to be maintained consistent with the provisions of the easement.
5. Enforcement. If the subject property is not maintained according to the terms of the easement, the Grantee[State], and FEMA, its representatives, and assigns, are responsible for taking measures to bring the property back into compliance.





**Exhibit B—Conservation Easement (Continued)**

- a. The Grantee will notify the titleholder of the violation in writing and advise the title holder that it has 60 days to correct the violation.
  - b. If the title holder fails to demonstrate a good faith effort to come into compliance with the terms of the easement within the 60-day period, the Grantee shall notify [State] of the violation.
  - c. The State shall enforce the terms of the easement by taking any measures it deems appropriate, including but not limited to bringing an action at law or in equity in a court of competent jurisdiction.
  - d. FEMA, its representatives and assigns may enforce the terms of the easement by taking any measures it deems appropriate, including but not limited to the following:
    - i. Requiring transfer of the conservation easement in accordance with Paragraph 2d, or;
    - ii. Bringing an action at law or in equity in a court of competent jurisdiction against the State or the Grantee.
6. Severability. Should any provision of this easement, or the application thereof to any person or circumstance, be found to be invalid or unenforceable, the rest and remainder of the provisions of this easement and their application shall not be affected and shall remain valid and enforceable.

The Grantee accepts the easement and acknowledges its obligations pursuant to the grant and sub-grant agreements and this document to monitor the use of the land and enforce the provision of the easement. Upon execution of this easement by the parties, the Grantee will officially record the easement.

\_\_\_\_\_  
Grantor's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (printed or typed)

\_\_\_\_\_  
Grantee's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Grantee's Name

\_\_\_\_\_  
Grantee's Title



**Statement of Voluntary Participation**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ by and between \_\_\_\_\_, hereinafter referred to as "Sub-grantee," by its authorized agent, \_\_\_\_\_, and \_\_\_\_\_, hereinafter referred to as "Seller." The parties agree as follows:

1. Seller affirms that he/she/they is/are the owner/owners of property located at - \_\_\_\_\_, hereinafter referred to as "property."
2. Sub-grantee has notified Seller that the Sub-grantee may wish to purchase property, and, if Seller agrees to sell, Seller must permanently relocate from property.
3. Sub-grantee has notified Seller that it believes the fair market value (FMV) of property, as of \_\_\_\_\_ is \$\_\_\_\_\_ as determined by appropriate valuation procedures publicized and implemented by Sub-grantee.
4. Sub-grantee has notified Seller that Seller is not required to sell property and Sub-grantee will not use its power of eminent domain for the purpose of this acquisition project to acquire property if Seller chooses not to sell it.
5. Sub-grantee has notified Seller that if Seller agrees to sell property to Sub-grantee, such a transaction is voluntary. Consequently, Seller is not entitled to relocation benefits provided by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, which are available to property owners who must sell their properties involuntarily.
6. Sub-grantee affirms that it has provided the notifications and explained the information described in the preceding paragraphs, and property identified above is not a part of an intended, planned, or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits.
7. This Agreement shall expire on \_\_\_\_\_, unless Seller has voluntarily sold property to Sub-grantee by that date.

\_\_\_\_\_  
Property Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Property Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Sub-grantee's Authorized Agent Signature

\_\_\_\_\_  
Date



*Sample Relocation Notice*

[DATE]

RELOCATION NOTICE

for (MOBILE HOME COURT NAME) Residents

(ADDRESS)

(TOWN), (STATE)

On or before (DATE), each mobile home owner and resident in the (MOBILE HOME COURT NAME) received from (NAME), owner of (MOBILE HOME COURT NAME), a 90-day Notice to Vacate. As you were informed in that notice, (MOBILE HOME COURT NAME) signed an agreement to sell the real estate of the mobile home court to the Town of (NAME). This Relocation Notice supplements the 90-day Notice to Vacate.

Because Federal funds will be used toward the purchase of (MOBILE HOME COURT NAME) by the Town of (NAME) and, as renters, you will be involuntarily displaced, you are entitled to certain rights under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, also referred to as URA. The related regulations are the Uniform Relocation Assistance and Real Property Acquisition Regulations for Federal and Federally Assisted Programs; Final Rule and Notice, 49 CFR Part 24.

Assistance Services

Each mobile home resident is eligible for reasonable relocation advisory services, which are being provided by representatives of the Town of (NAME). Contact persons for the Town of (NAME) are listed in the final section of this notice. **IT IS VERY IMPORTANT THAT YOU KEEP IN CONTACT WITH YOUR ADVISORY ASSISTANCE PROVIDERS**, so that they can provide you with the best possible relocation advisory assistance in relocating to a new home. They are available to assist you with reasonable relocation services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help you successfully relocate.





*Sample Relocation Notice (Continued)*

Moving Expenses

Each mobile home household will be eligible for moving assistance to be paid either on actual reasonable expenses based on receipts, or by a flat moving fee based on the number of rooms of furniture. Each household needs to choose one of these two moving expense options, but this decision does not need to be confirmed with the Town until after you have completed your move. The Town has made the determination that the number of rooms of furniture in each mobile home is four (4) rooms. Therefore, households that choose the flat moving fee option will receive \$650.00 for moving expenses, as established in the “Residential Moving Expense and Dislocation Allowance Schedule” under 49 CFR Part 24.

Method of payment for households that choose the actual reasonable expenses option will be by check from the Town of (NAME) after moving expenses are confirmed by the Town. Method of payment for households that choose the flat moving fee option will be by check from the Town of (NAME) as soon as the Town has the funds available, but not longer than fourteen (14) days from the day that you confirm your choice of moving expense options with the Town. Please contact your Town of (NAME) advisory assistance providers for further assistance or if you have any questions or problems with moving.

Replacement Housing Payment

Each mobile home resident who has resided in the (MOBILE HOME COURT NAME) for at least the 90 days prior to [DATE], the date of real estate negotiations, may be eligible for rental assistance or home ownership assistance not to exceed \$5,250, also referred to as a rent/utility differential. Eligibility for rent/utility differential is determined by the following factors: length of residency in the (MOBILE HOME COURT NAME), family income, average 12-month rent/utility costs at (MOBILE HOME COURT NAME) and expected monthly rent/utility costs in a comparable replacement dwelling. Utilities to be considered are electricity and natural gas. Method of payment for rent/utility differential will be by check from the Town of (NAME) in a lump sum after each of the determining factors listed above is confirmed. Part of this confirmation will include an inspection by the Town of (NAME) of the replacement dwelling to determine whether it is decent, safe, and sanitary. Please contact your Town of (NAME) advisory assistance providers for further details or if you have any questions or problems with relocating to a new home.





**Sample Relocation Notice (Continued)**

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90-Day Notice

This Relocation Notice supplements the 90-day written notice that you received from (MOBILE HOME COURT NAME) on or before [DATE]. You will not be required to move permanently until ninety (90) days after a comparable replacement dwelling has been made available, unless the Town determines that continued occupancy of the mobile home court would constitute a substantial danger to health or safety. Please contact your Town of (NAME) advisory assistance providers for further details or if you have any questions or problems with relocating to a new home.

Appeals

Within sixty (60) days of each relocation assistance/URA determination, each (MOBILE HOME COURT NAME) mobile home owner or resident has the right to appeal URA determinations. Appeals must be in writing to (NAME AND ADDRESS OF HEAD LOCAL OR STATE OFFICIAL – MAY NOT HAVE BEEN DIRECTLY INVOLVED IN URA DETERMINATIONS).

Town of (NAME) Advisory Assistance Providers

IF YOU HAVE QUESTIONS OR NEED FURTHER ASSISTANCE, PLEASE CONTACT:

(NAME), Town Planner, or

Town Office (TELEPHONE NUMBER)

(NAME), Project Coordinator

Town Office (TELEPHONE NUMBER)

Home (TELEPHONE NUMBER)





**Sample Log for Receipt of Relocation Notice**

Log for Receipt of  
RELOCATION NOTICE

I have received a copy of the (DATE) Relocation Notice for (MOBILE HOME COURT NAME) Residents. I understand that my receipt of this notice serves to notify all persons in my household at the (MOBILE HOME COURT NAME).

Lot #	Print Name	Signature	Date
1			
2			
3			
4			
5			
Owner of Lot #5 Mobile Home			
6			
7			
8			
9			
10			
11			
12			
13 vacant lot			
14			







**FEMA Form 90-69D  
Declaration of Applicant**

<b>FEDERAL EMERGENCY MANAGEMENT AGENCY DECLARATION OF APPLICANT</b>		<i>O.M.B. No. 3067-0009 Expires October 31, 1999</i>	
<p><b>You are not required to respond to this collection of information unless a valid OMB control number is displayed in the upper right corner of this form.</b></p>			
<b>DECLARATION OF APPLICANT Authority</b>			
<p>Agencies of the United States Government are required by law to take reasonable actions to determine whether any individual seeking to obtain assistance (other than emergency assistance) is eligible.</p> <p>In order to be eligible to receive FEMA Disaster Assistance and/or State Individual and Family Grant (IFG) Program Assistance, the applicant must be a citizen or qualified alien in the United States.</p> <p>Please read the declaration carefully, sign sheet and return it to the Inspector, and show him/her a current form of identification. Please feel free to consult with an attorney or other immigration expert if you have any questions.</p>			
<b>DECLARATION</b>			
<p>I understand that information on this declaration may be provided to the Immigration and Naturalization Service (INS) for the purpose of audit, and I expressly consent to its release for that purpose.</p> <p>I hereby declare, under penalty of perjury, that I may receive FEMA Disaster Assistance and/or IFG Program Assistance, if found eligible because (check one)</p> <p style="text-align: center;"> <input type="checkbox"/> I am a citizen or non-citizen national of the United States.  <input type="checkbox"/> I am a qualified alien in the United States.         </p>			
Name of Applicant		Signature of Applicant	
Applicant's Address		FEMA Control Number	Date
		Disaster Number (DR)	
<b>WARNING</b>			
<p>18 U.S.C. Sec. 1001 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined, not more than \$10,000, or imprisoned for not more than five years, or both.</p>			
<b>PRIVACY ACT STATEMENT</b>			
<p>(The following statement of purpose and uses is provided pursuant to the Privacy Act of 1974, Public Law 93-579)</p> <p>The authority to collect information regarding your citizenship or immigration status is derived from Title IV of the Personal Responsibilities and Work Opportunity Reconciliation Act of 1996, Public Law 104-193. The primary use of this information is by the FEMA Disaster Housing Program and the State IFG Program to determine your eligibility for assistance. Additional disclosure of this information may be made to the Immigration and Naturalization Service (INS) for audit of the data provided. Furnishing the information sought by this declaration is voluntary, but must be provided to obtain or retain a benefit. Failure to provide the information will result in disapproval of your request for housing or IFG assistance.</p> <p>This request for information is not subject to coordination with or clearance of the Office of Management and Budget under the provision of chapter 35 of Title 44 of the United States Code.</p>			
<b>PAPERWORK REDUCTION ACT</b>			
<p>Public reporting burden for this form is estimated to average 2 minutes per response. The burden estimate includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the needed data, and completing and submitting the form. You are not required to complete this collection of information unless a valid OMB control number is displayed in the upper right corner of this form. Send comments regarding the accuracy of the burden estimate and any suggestions for reducing the burden to: Information Collections Management, Paperwork Reduction Project (3067-0009), Federal Emergency Management Agency, 500 C Street, SW, Washington, DC 20472. <b>NOTE:</b> Do not send your completed form to this office.</p>			

FEMA Form 90-69D, MAY 99



## **Section 12: Allowable Project Costs**





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**General Cost Criteria for Federal Awards**

General policies for determining allowable costs are established in 44 CFR 13.22, as follows:



~~§~~ Grant funds may be used only for:

- † †The allowable costs of the grantees, subgrantees, and cost-type contractors, including allowable costs in the form of payments to fixed-price contractors; and
- † †Reasonable fees or profit to cost-type contractors, but not any fee or profit (or other increment above allowable costs) to the grantee or subgrantee.

~~§~~ For each kind of organization eligible to apply for Hazard Mitigation Grant Program funds, there is a set of Federal principles for determining allowable costs.

**Different Governing Principles**

The various entities eligible to apply HMGP funds are controlled by different sets of governing principles. The table below indicates what resource contains the governing principles for each type of applicant.

**Governing Principles for Allowable Costs**

Applicant	Governing Principle
State, Local, or Native American tribal government	OMB Circular A-87
Private nonprofit organization, other than (1) an institution of higher education; (2) a hospital; or (3) an organization named in OMB Circular A-122 as not subject to that circular.	OMB Circular A-122
Educational institution	OMB Circular A-21

Because the majority of HMGP grants are made to State and local governments and Native American tribal organizations, this Desk Reference will focus on the guidelines in OMB Circular A-87. Please refer to the appropriate circular listed above if the subgrantee is a hospital, educational institution, or private nonprofit organization.

## Section 12: Allowable Project Costs

### Criteria for State, Local, or Native American Tribal Governments

To be allowable, costs incurred by State, local, or tribal governments must meet the following general criteria:

- ✍ Be necessary and reasonable for proper and efficient performance and administration of Federal awards;
- ✍ Conform to any limitations or exclusions set forth in OMB Circular A-87, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items;
- ✍ Be allocable to Federal awards under the provisions of OMB Circular A-87;
- ✍ Be authorized or not prohibited under State or local laws or regulations;
- ✍ Not be included as a cost or used to meet cost-sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation;
- ✍ Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit;
- ✍ Be accorded consistent treatment. A cost may not be assigned to a Federal award as direct cost if any other costs incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost;
- ✍ Except as otherwise provided in OMB Circular A-87, be determined in accordance with generally accepted accounting principles;
- ✍ Be the net of all applicable credits; and
- ✍ Be adequately documented.

### Reasonable Costs

The State should consider whether project costs are reasonable as they review the budget within an application, as they monitor the implementation, and when a subgrantee requests budget or scope changes. Reasonable costs, as defined by OMB Circular A-87, (see Job Aid 12-1) are those that do not exceed costs that would be incurred by a prudent person in the same circumstances at the same time. Elements to consider when determining reasonableness of a given cost include:



Job Aid 12-1

- ✍ Federal, State, and other laws and regulations;
- ✍ Terms and conditions of the Federal award; and
- ✍ Market prices for comparable goods or services.

### Unallowable Costs

The State will disallow costs that are unreasonable or are not part of the approved scope of work. Therefore, the State will always exercise judgment in its review of costs. Obvious areas of caution include:

- ✍ Costs incurred prior to grant approval other than design and technical or feasibility studies that were incurred post disaster;
- ✍ Items covered by the subgrantee administrative costs (because such items are not allowable project costs);
- ✍ The loss of tax revenue due to the public acquisition of land for open space (which does not meet the criteria for allowable costs); and
- ✍ Maintenance of the project after initial implementation (for example, mowing open space, or ensuring hurricane shutters are operable).

**Project-Specific Allowable Costs**

Additional governing principles apply to specific types of projects and further determine allowable costs for those types of projects. Three examples include:

- ~~///~~ Costs for post-disaster code enforcement;
- ~~///~~ Environmental mitigation costs; and
- ~~///~~ Acquisition/relocation project costs.

Allowable costs for these types of projects are described below.

**Costs for Post-Disaster Code Enforcement**

Only extraordinary code enforcement costs are allowable. Extraordinary code enforcement costs are the costs to ensure mitigation-based codes are implemented during disaster reconstruction after normal costs of the building department are deducted.

Costs might include staffing, equipment purchases, office rental, transportation, supplies, and similar expenses.

Extraordinary costs equal disaster costs minus normal costs, minus cost of fee waivers.

Normal costs can be determined from a monthly average of payroll and office expenses during the most recent 12-month period that does not include Federal, State, or local disaster declarations.

Disaster costs can be determined by the payroll and office expenses during the period of assistance. If the applicant must purchase new equipment, only the equivalent rental cost of this equipment for the period of assistance is considered a disaster cost. The revenues generated by fees for inspections or permits, whether collected or not, must be deducted.

If a community has already received Federal assistance for meeting emergency building inspection needs (to post buildings, determine habitability, etc.), these costs must be deducted in determining extraordinary costs.

The revenues generated by fees for inspections or permits, whether collected or not, must be deducted since this is not an extraordinary cost.



**TIP: See page 11-8 for a discussion of the conditions a State agrees to meet for post-disaster code enforcement projects.**

**Environmental Mitigation Costs**

The costs to implement any environmental or historic-preservation mitigation actions required in relation to project approval are allowable costs. These costs may include recordation or relocation of historic structures, Phase III archeological data recovery, protection for endangered species, etc. These costs are treated as project costs and are cost shared.

**Acquisition/  
Relocation  
Project  
Costs**

Eligible costs for real property acquisition and relocation projects depend upon the scope of the project. Below are three examples of typical scopes for such projects and the general costs allowable.

**Acquisition of  
Property and  
Demolition of  
Structures**

The following costs associated with the acquisition of hazardprone real property and the demolition of structures are allowable:

- ✍ Up to pre-event fair market value of the real property (land and structures) either at the time of sale or immediately prior to the disaster event;
- ✍ Necessary title search, easement and deed recordation, title insurance, and title transfer fees;
- ✍ Legal fees associated with property transfer contract review and conducting the real estate settlement;
- ✍ Appraisal costs; and
- ✍ Demolition and removal of structures.

**Acquisition of  
Property and  
Relocation of  
Structures**

The following costs associated with the acquisition of hazardprone property and physical relocation of structures are allowable:

- ✍ Up to pre-event fair market value of the real property (land only);
- ✍ Necessary title search, easement and deed recordation, title insurance, and title transfer fees;
- ✍ Legal fees associated with property transfer contract review and conducting the real estate settlement;
- ✍ Appraisal costs;
- ✍ Jacking and moving of structure to new site; and
- ✍ Necessary individual site preparations including foundation, water, sewer, and utility hookups, but not aesthetic improvements and landscaping, new property acquisition, or public infrastructure and utility development.

**Additional  
Award To  
Relocate**

There may be a significant shortfall between the amount the community pays an owner for his/her damaged residence and the cost of a comparable replacement home in a non-hazardprone location. In exceptional circumstances, the State may allow the community to provide owner-occupants the difference between the two amounts, up to \$22,500 per property. The subgrantee must meet other criteria that concern funding availability, housing availability and impact the project. See Section 11 for further detail.

Job Aid 12-2 provides examples of typical project costs for several project types. It may be useful in identifying allowable costs.



**Job Aid 12-2**





### Allowable Costs Under OMB Circular A-87

The table below lists categories and examples of allowable and unallowable costs under FEMA's disaster assistance programs. The table is not a complete list, however. For more information about allowable and unallowable administrative costs, refer to Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local, and Native American Tribal Governments. **Note:** These costs are allowable within the total amount of the grant and relevant administrative or management caps. (See Section 13 to calculate caps.) Costs must be reasonable and must apply to grant performance.

COST CATEGORY	EXAMPLES	NOTES/RESTRICTIONS
† Advertising	† † Radio, television, and newspaper ads  † † Direct mail campaigns	When incurred for: † † Recruitment of personnel † † Procurement of goods and services † † Advertising costs are <b>not</b> allowable if they are incurred solely to promote the governmental unit
† Alcoholic Beverages		† † Costs for alcoholic beverages are not allowable
† Audit Services	† † Case or project reviews  † † Project inspections	Provided that the audits: † † Comply with the provisions of the Single Audit Act (see OMB Circular A-128)  <b>OR</b> † † Have otherwise been required and/or approved by FEMA
† Bad Debts	† † Uncollectible funds	† † Losses arising from uncollectible amounts and other claims, and related costs, are <b>not</b> allowable
† Bonding Costs	Costs associated with attaining surety bonds for employees and officials	Provided that bonding is in accordance with sound business practice



*Allowable Costs Under OMB Circular A-87 (Continued)*

<b>COST CATEGORY</b>	<b>EXAMPLES</b>	<b>NOTES/RESTRICTIONS</b>
† Budgeting	Budget: † † Development † † Preparation † † Presentation † † Execution	Allowable
† Communications	† † Telephone † † Mail and messenger service	Allowable
† Compensation for Personnel	† † Wages and salaries † † Fringe benefits	Provided that compensation is reasonable for the services provided
† Donated Services	Volunteered time by: † † Technical personnel † † Consultants † † Skilled and unskilled labor	† † The value of donated services is not reimbursable as either a direct or an indirect cost  † † The value of donated services is allowable to meet cost-sharing or matching requirements
† Disbursing Services	Costs associated with the accounts payable function	Allowable
† Equipment and Other Capital Expenditures	† † The net invoice price of equipment, including modifications, attachments, or accessories  † † Ancillary charges, including taxes and freight	For nonexpendable items of equipment having: † † A useful life of more than 1 year † † An acquisition cost of \$5,000 or more  Items of equipment with an acquisition cost of less than \$5,000 are considered supplies



*Allowable Costs Under OMB Circular A-87 (Continued)*

<b>COST CATEGORY</b>	<b>EXAMPLES</b>	<b>NOTES/RESTRICTIONS</b>
† General Government Expenses	† † Salaries and expenses of the Office of the Governor and/or State legislatures, tribal councils, or other local governmental bodies  † † Costs associated with government services normally provided to the general public (e.g., fire and police)	† † Normally <b>not</b> allowable
† Legal Expenses	† † Professional and/or support staff time  † † Filing fees	† † Legal expenses required for program administration are allowable  † † Legal expenses for prosecution of claims against the Federal Government are not allowable
† Maintenance, Operation, and Repairs	† † Utilities † † Insurance † † Security † † Janitorial services † † Equipment repairs	Allowable if they:  † † Keep property in efficient operating condition  † † Do not add to the permanent value of property  † † Are not included in rental charges for space
† Materials and Supplies	† † Stationery † † General office supplies † † Equipment with an acquisition cost of less than \$5,000	Allowable after deducting:  † † Cash and/or trade discounts  † † Rebates  † † Other allowances



*Allowable Costs Under OMB Circular A-87 (Continued)*

<b>COST CATEGORY</b>	<b>EXAMPLES</b>	<b>NOTES/RESTRICTIONS</b>
† Motor Pools	Vehicle: † † Maintenance † † Inspection † † Repair services	† † Allowable if charged to the program at a mileage or fixed rate:  Under HMGP, State travel is only allowable under Administrative Costs.
† Public Relations	Activities directed toward: † † Maintaining the image of the governmental unit † † Promoting understanding and favorable relations with the public	When: † † Incurred to communicate with the public and press pertaining to the specific program  † † Necessary to conduct general liaison with the news media and government public affairs officers to keep the public informed  † † Public relations costs are <b>not</b> allowable if they are incurred solely to promote the governmental unit
† Training	Employee training and development	Allowable to the extent that the training is required for program operation.
† Travel	† † Transportation † † Lodging † † Subsistence	Provided that: † † Employees are traveling on official business  † † The costs do not exceed the amount normally allowed by the agency in its regular operations  † † Under HMGP, State travel is only allowable under Administrative Costs



### Sample Project Cost Breakdown

Compiling a summary of estimated costs, like the ones shown below, may be useful in identifying eligible project costs.

<b>Cost Breakdown for an Acquisition and Structure Relocation Project</b>	
<b>Item</b>	<b>Unit</b>
Pre-event fair market value of hazardprone site—land only (.2–6.0 acres)	lump sum
Necessary title search, easement and deed recordation, title insurance, and title transfer fees	hourly rate
Legal fees associated with property transfer contract review and conducting the real estate settlement	hourly rate
Appraisal costs	hourly rate
Excavation	cubic yard
Boring for lift beams (under slab)	linear foot
Jacking	foot
Moving operation	lump sum
Foundation (concrete, brick, etc.)	thousand (880 sq. ft)
Water supply (high range for individual well)	lump sum
Sewer hookup (high range for septic tank)	lump sum
Sanitary sewer line 4"–6", in place	linear foot
Water service line ¾"–1", in place	linear foot
Internal/external repair—flooring, painting, etc. (houses to 1,000 sq. ft.)	lump sum
Grading	square foot
Seeding	square foot



*Sample Project Cost Breakdown (Continued)*

<b>Cost Breakdown for a Bank Stabilization Project</b>	
<b>Item</b>	<b>Unit</b>
Clearing and grubbing	job
Channel excavation	cubic yard
Construct storm outlet	each
Extend aerial sanitary sewer crossing	linear foot
Relocate 18" sanitary sewer	linear foot
Slope stabilization on 2:1 slopes	square yard
Grade control structures	each
Seeding	acre
Property acquisition	square foot
Riprap between drop and existing grade	ton
Fill in channel upstream of drop structure	ton



**Section 13:  
Administrative/Grants  
Management**







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**State Responsibilities**

The State, as grantee, has primary responsibility for project management and accountability of funds as indicated in 44 CFR Part 13. The State is responsible for ensuring that subgrantees meet all program and administrative requirements. Managing States meet the same responsibilities with less oversight from FEMA.



**TIP: State responsibilities for the HMGP are explained in Job Aid 3-2.**

**Management Costs and Administrative Costs**

The HMGP provides three categories of “direct administrative costs:”

- ~~///~~ State management;
- ~~///~~ Grantee administrative (sliding scale); and
- ~~///~~ Subgrantee administrative (sliding scale).

**State Management Costs**

States are entitled to claim management costs. State management costs are intended to include costs of managing or administering the HMGP that are not covered by the percentage allowance. They include other “direct grant administration costs” of the grantee that are consistent with the State Administrative Plan and 44 CFR Part 13.

**Negotiation of Management Costs**

To be eligible for a program management grant, the State must show its costs in its administrative plan and submit its request to the Regional Director in advance of incurring management costs.

State management costs are negotiated between FEMA and the State and must be approved prior to assigning or hiring staff for the HMGP.

Management costs will be awarded as part of the HMGP ceiling, established by estimating 15 percent of other Stafford Act grants. This means that for any given disaster, the grantee management costs combined with the cost of all approved HMGP projects may not exceed the final lock-in ceiling.

State management costs, based on the personnel needs of the State, must be consistent with the staffing requirements established in the State Administrative Plan.

FEMA will continue to award the grantee and subgrantee administrative costs separately from the HMGP ceiling.

---

**Allowable  
Management  
Costs**

State management costs generally include regular time salaries and approved equipment and supply purchases. State management costs are intended to be used to cover costs for personnel salaries and administrative management of the program for a particular Presidentially declared disaster. In accordance with 44 CFR Section 13.22, and as specified in OMB Circular A-87, allowable grant costs must be necessary and reasonable for proper and efficient administration of the grant and not be a general expense required to carry out the overall emergency management functions and responsibilities.



Specific allowable costs include (but are not limited to):

- ~~///~~ Regular time salaries for HMGP staff;
- ~~///~~ Regular time salaries for contract staff to manage the HMGP; and
- ~~///~~ Software to run FEMA Benefit-Cost Analysis modules.

---

**Unallowable  
Management  
Costs**

State management costs do not cover:

- ~~///~~ Overtime;
- ~~///~~ Per diem;
- ~~///~~ Travel;
- ~~///~~ Other costs already covered by grantee administrative costs;
- ~~///~~ The staffing and operation of a Disaster Recovery Center; or
- ~~///~~ Project-specific costs such as the costs of a project manager.

**Preparing a Request for Management Costs**

Figure 13-1 shows a sample calculation of management costs. States may pay employee benefits as part or all of their cost-share or may pay 25 percent of the entire salary and benefits cost. Therefore, two separate, valid calculations of management costs are shown in the lower part of Figure 13-1.

**Figure 13-1. Sample Calculation of Management Costs**

Job #	Position	Work Years	Salary	Benefits
0000	Specialist	2.00	\$90,500.00	\$34,100.00
0000	Coordinator	1.00	45,250.00	17,050.00
0000	Admin Asst.	0.05	20,625.00	8,000.00
<b>Total</b>		<b>3.50</b>	<b>\$156,375.00</b>	<b>\$59,150.00</b>
Federal Share (75%) of Salary (\$156,375) =				\$117,281.25
State Share (25%) of Salary (\$156,375) =				\$39,093.75
<b>OR</b>				
Federal Share (75%) of Salary and Benefits (\$215,525) =				\$161,643.75
State Share (25%) of Salary and Benefits (\$215,525) =				\$53,881.25

**Grantee Administrative Costs**

FEMA also provides the State an allowance for grantee administrative costs to include overtime pay, per diem, and travel of State employees performing grant administration tasks. The calculation of the allowance is based on a percentage of grants to subgrantees as described in 44 CFR 206.439(b), and detailed on page 13-4.



**Calculation of Grantee Administrative Costs**

The calculation of administrative costs is based on a sliding scale established by regulation. These costs are automatically calculated by FEMA's computer system, and are obligated as projects are funded.

The sliding scale used to calculate grantee administrative costs is as follows:

- ~~///~~ For the first \$100,000 of the Federal share, 3 percent of such costs;
- ~~///~~ For the next \$900,000, 2 percent of such costs;
- ~~///~~ For the next \$4,000,000, 1 percent of such costs; and
- ~~///~~ For those costs over \$5,000,000, .5 percent of such costs.

<b>Worksheet for Determining HMGP Grantee Administrative Costs</b>	
Total Federal Share	\$
ADD:	
3% of first \$100,000	\$
2% of next \$900,000	\$
1% of next \$4,000,000	\$
.5% of assistance over \$5,000,000	\$ _____
Total State Administrative Costs	\$

Note that grantee administrative costs are based on only the Federal share of awards to subgrantees, including subgrantee administrative costs.

**Allowable Grantee Administrative Costs**

Examples of valid administrative costs include:

- ~~///~~ Overtime;
- ~~///~~ Per diem; and
- ~~///~~ Travel.

**Subgrantee Administrative Costs**

Subgrantees are reimbursed for administrative (sliding scale) costs to include preparation of applications, quarterly reports, audits, related field inspections, recordkeeping, and the filing of reimbursement claims to the State. The percentage is based on a percentage of net eligible costs.

**Subgrantees**

Subgrantees are reimbursed for the administrative (sliding scale) costs only. This percentage allowance is:

- ~~✍~~ Based upon a percentage of net eligible costs (the approved project cost); and
- ~~✍~~ Intended to cover “all necessary costs of requesting, obtaining, and administering Federal assistance.”



The percentage is calculated in accordance with 44 CFR 206.439(b). **44 CFR 206.439(b)**

**Calculation of Subgrantee Administrative Costs**

Subgrantee administrative costs are based on total net eligible costs. Total net eligible costs are the FEMA contribution (approved scope of work) plus the non-Federal proportionate minimum required match. This is the lesser amount of either total project costs or 4/3 the amount of the Federal share. The administrative costs are limited to ensure HMGP is reimbursing only the administrative activities related to administering HMGP assistance. In some cases, the HMGP participation in a project is a minor percentage of the overall project.

If program income is involved, the administrative costs are calculated before program income is calculated. See page 13-6 for details. For example, if the total costs of the subgrantee’s project is \$100,000, and the Federal share is \$75,000, the subgrantee administrative will be based on \$100,000. But if, for some reason, the Federal share were only \$40,000 of a \$100,000 project, the subgrantee administrative costs would be based on \$52,800, or 4/3 the Federal share.

<b>Sample Calculation Based on 75 Percent Federal Share</b>	
Total Project Cost	\$78,000
Federal Share	58,500
Subgrantee Administrative Costs	
(Federal Share x 4/3 = \$78,000)	
\$78,000 x sliding scale of 3%:	\$2,340

<b>Sample Calculation Based on Less Than 75 Percent Federal Share</b>	
Total Project Cost	\$125,000
Federal Share	27,000
Subgrantee Administrative Costs	
(Federal Share x 4/3 = \$36,000)	
\$36,000 x sliding scale of 3%:	\$1,080

**Allowable  
Subgrantee  
Administrative  
Costs**

Examples of valid administrative costs include:

- ~~///~~ Preparation of applications, quarterly reports, audits, and related field inspections;
- ~~///~~ Recordkeeping; and
- ~~///~~ Filing claims to the State for reimbursement.

Project-specific costs such as construction oversight, or a project manager to work with homeowners, are not covered by administrative costs. These are included in the project budget.

**Program  
Income**

Program income includes income from:

- ~~///~~ Use or rental of real or personal property acquired with grant funds;
- ~~///~~ Sale of commodities or items fabricated under a grant agreement; and
- ~~///~~ Payments of principal and interest on loans made with grant funds.

Program income does not include:

- ~~///~~ Interest on grant funds;
- ~~///~~ Rebates;
- ~~///~~ Credits;
- ~~///~~ Discounts;
- ~~///~~ Refunds; and
- ~~///~~ The interest earned on them.

FEMA encourages States and subgrantees to generate program income to help defray program costs. Subgrantees deduct this income from total project costs as specified in the grants management common rule (44 CFR Part 13). Authorization for States to follow the other alternatives is granted by the Regional Director sparingly.



**The following is an example that illustrates appropriate deduction of program income for an acquisition project:**

Program income is generated when the subgrantee, with prior approval from the State and the Regional Director, sells salvaged building components from a structure acquired with HMGP funds. Any cost incurred during the sale of the salvaged materials is deducted prior to calculating the project cost.

If the grant period is still open (as indicated in the grant agreement and the final financial report), any income must be subtracted from the overall cost of the project before the cost-share is calculated. However, once the grant period is ended, any income generated from the land itself belongs to the subgrantee.

As indicated on page 13-5, FEMA calculates subgrantee administrative costs before deducting program income.

**Cost-Share  
and  
Matching**

All funds provided under the Hazard Mitigation Grant Program will be subject to the cost-sharing provisions established in the Stafford Act and the FEMA-State Agreement. FEMA cannot obligate funds until the State has provided assurance that the non-Federal share has been identified.

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**FEMA Cost-Share**

FEMA may contribute up to 75 percent of the cost of projects approved for funding under the HMGP for major disasters declared on or after June 10, 1993.

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**Non-Federal Cost-Share**

A non-Federal source must contribute the remaining percentage of the total eligible project costs. Use of the non-Federal share and any project contributing towards the program cost-share will meet all program requirements, include eligibility criteria and compliance with applicable Federal environmental laws.

While the non-Federal match for the HMGP must be at least 25 percent, it is not necessary for the non-Federal match to be 25 percent on every individual project. It is only necessary that the cost-share ratio for the funding of all combined projects for the disaster is at least 25 percent.

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**Permanent Federal Identity**

HMGP funds do not lose their Federal identity and may not be used as match for another Federally funded project, including U.S. Army Corps of Engineers projects.



**TIP: See page 13-8 for information on some Federal funding that may match other Federal grants like HMGP.**

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**In-Kind Matches**

While the grantee or subgrantee must meet the cost share requirement, the State or local share does not have to be cash; it can be met with in-kind services or materials that are allowable costs provided by the third parties.

Examples of third party in-kind contributions include:

- ~~///~~ A local attorney affected by the flood donates her time to review the real property acquisition contract documents and conduct the settlements for the subgrantee. The normal cost of the attorney's professional time donated to the project (based on her normal per hour or per settlement rate) is allowable as local in-kind cost-share.
- ~~///~~ Local contractors donate their services to complete seismic retrofit work to residents' homes. The normal cost of their time is allowable as a third party in-kind contribution.
- ~~///~~ A homeowner accepts 75 percent of the value of his home in cash and donates the rest of the appraised value to the project. The remaining 25 percent donated value is allowable as a third party in-kind contribution.
- ~~///~~ The local hardware store donates construction materials for a hurricane shuttering project. The retail value of those materials is an allowable third party in-kind contribution.



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**Other Federal Funds**

Generally, the non-Federal match may not include funds from other Federal agencies. However, some Federal grants have an authorizing statute that explicitly allows the funds to be used as a match for other Federal grants. Examples include:

- ~~///~~ Subgrantees may use Department of Housing and Urban Development Community Development Block Grant (entitlement and small cities) monies as a match for HMGP funds in property acquisition projects as long as the projects are eligible under that program.
- ~~///~~ The U.S. Small Business Administration and Farmer's Home Administration consider their loan funds to lose their Federal identity once the loan to the individual is approved. Therefore, homeowners can supply funds from either of these sources to match HMGP funds.
- ~~///~~ Indian Health Services funds may be used as the local match to HMGP funds as long as the mitigation project "contributes to the purposes for which grants . . . are made" under the Indian Health Services statute.
- ~~///~~ Bureau of Indian Affairs funds may be used as a match for HMGP funds.
- ~~///~~ Section 302(a)(3) of the Appalachian Regional Development Act of 1965, the authorizing statute for Appalachian Regional Commission (ARC) funds, expressly permits the use of ARC funds to increase the Federal share—in effect, reducing the local cost-share. Therefore, ARC funds may contribute towards the non-FEMA cost-share of a FEMA-funded project.

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**Private Funds**

Individuals may use their own funds (including loans received from the U.S. Small Business Administration, the Farmer's Home Administration, and Increased Cost of Compliance insurance claim payments) to help a local community to match HMGP funds.

Increased Cost of Compliance coverage benefits under the National Flood Insurance Program (NFIP) may be used to match elevation and/or acquisition and relocate projects. Increased Cost of Compliance Coverage provides for the payment of a claim to help pay for the cost to comply with a community floodplain management ordinance after a direct physical loss by flood. When a building covered by a Standard Flood Insurance Policy sustains a flood loss and the State or community declares the building to be substantially damaged or repetitively damaged, Increased Cost of Compliance Coverage will help pay for the cost to elevate, floodproof (non-residential buildings only), demolish, or relocate the building. The maximum Increased Cost of Compliance coverage is \$15,000. All NFIP Regular Program policies with building coverage issued or renewed on or after June 1, 1997 will include the coverage.

Of course, Increased Cost of Compliance claims can only be used for NFIP-approved costs; these can then be applied to the HMGP match. For example, it can't pay for property acquisition, but can pay demolition or structure relocation.

**The 5% Initiative and Grants Management**

As explained in Section 7, up to 5 percent of the total HMGP funds for a disaster may be set aside by a State to pay for measures that are difficult to evaluate against traditional program cost-effectiveness and eligibility.

**Hazard Mitigation Grant Program Lock-In Ceiling**

Under no circumstances may the State spend more than the amount of the combined regular projects and 5% Initiative projects. The State may not exceed the lock-in ceiling of the HMGP. For example, if the State has spent all but 3 percent of the grant funds on regular projects, only 3 percent may be used for 5% Initiative projects.

**Cost-Share Ratios**

The cost-share on 5% Initiative projects is the same cost-share ratio as the balance of grant funds for that disaster. When available amounts of 5% Initiative funds from two or more disasters are combined to fund one large project, the State must adhere to the cost-share requirements of each disaster that generated the funds for the project. (For example, the HMGP cost-share changed from 50 percent to 75 percent in 1993.)

**Program Funding Estimates Fluctuate**

The amount of the HMGP estimate fluctuates during the early stages of program implementation. The amount of the 5% Initiative funds are calculated on the current HMGP estimate at the time 5% Initiative projects are approved.

**Insular Areas**

Insular areas are U.S. territories and possessions that include American Samoa, Guam, the Virgin Islands, and the Northern Mariana Islands. All Federal agencies have the authority to waive cost-sharing that is otherwise required by statute for the insular areas. Grants under \$200,000 are automatically not subject to cost-sharing required in non-insular areas. The term "grant" refers to the total award for HMGP that the insular area receives. That is, if the HMGP ceiling is over \$200,000, then the cost-share is not automatically waived, but FEMA may modify it or waive it at FEMA's discretion.

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**Compact of  
Free  
Association  
Funds**

The Federated States of Micronesia and the Republic of the Marshall Islands are permitted to use funds provided through the Compact of Free Association to match HMGP funds. Signed in 1986 by the governments of the United States, the Federated States of Micronesia, and the Republic of the Marshall Islands, the compact created General Purpose Grants whose only restriction is that 40 percent of the total funds provided over the 15-year term be used for “capital development” purposes as defined in the compact.

**Compliance  
With the  
Adminstra-  
tive Require-  
ments of 44  
CFR Parts 13  
and 206**

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44 CFR Part 13, Uniform Administrative and Requirements for Grants and Cooperative Agreements to State and Local Governments, establishes administrative requirements for Federal grants and subgrants. The requirements in Part 206 are based on Part 13. Part 13 addresses various administrative procedures, including:

- ~~///~~ Use of a standard application format;
- ~~///~~ Requirement that a State plan be developed before grant money can be received;
- ~~///~~ Financial management such as payment methods and allowable costs;
- ~~///~~ Monitoring of grantee and subgrantee activities through progress reports; and
- ~~///~~ Recordkeeping.

44 CFR Part 206, Federal Disaster Assistance for Disasters Declared On or After November 23, 1988, prescribes the policies and procedures to be followed in implementing the Stafford Act, as amended. This includes the HMGP under Subpart N.

**Processing  
of Requests  
for Advances  
of Funds and  
Reimburse-  
ments**

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Part of the State’s responsibility as financial administrator of the HMGP is to process requests for advances and reimbursements of funds.

The State should establish accounting procedures in order to disburse money to subgrantees in a timely manner. The system should include a point of contact; steps that guide the request and receipt of funds, the records to be maintained, and the forms to be used; and a timeline.

The subgrantees’ quarterly financial reports will inform the State Hazard Mitigation Officer of project status.

Clearly, it is beneficial for the State Hazard Mitigation Officer to be knowledgeable about the established accounting procedures. The State may wish to add financial management expertise to their hazard mitigation staffs, through hiring and/or training.

**Quarterly Reports**

States are required to submit two types of quarterly reports to the FEMA regional mitigation staff:

- ~~///~~ Quarterly Progress Reports; and
- ~~///~~ Quarterly Financial Status Reports.

**Progress Reports**

The State will submit a quarterly progress report to FEMA that indicates the status and projected completion date for each project funded. These reports should include descriptions of any problems impacting the completion dates, scope of work, or project costs that are expected to result in noncompliance with the approved grant conditions.

A checklist to use when preparing a Quarterly Progress Report is provided in Job Aid 13-1, and a sample Quarterly Progress Report is shown in Job Aid 13-2.



**Job Aid 13-1 and 13-2**

**Financial Status Reports**

States must submit Standard Form 269, Financial Status Report (Long Form), Standard Form 269A, Financial Status Report (Short Form), or FEMA Form 20-10 to report the status of funds. Sample copies of these forms, and the instructions for completing them, are included as Job Aids 13-3, 13-4, and 13-5.



**Job Aid 13-3, 13-4, and 13-5**

**Record-keeping**

In order to properly track the implementation of approved projects, the State and subgrantee should keep full records of all work, expenses, contracts, etc. These records will serve as the basis for quarterly reports for submission to FEMA and should be retained to facilitate audit requirements.

Records must be kept for 3 years.

**NEMIS Status Reports**

The National Emergency Management Information System reports listed below are used to facilitate program tracking.

- ~~///~~ Quarterly Tracking Report
- ~~///~~ Quarterly Reports by Project
- ~~///~~ Field Survey Report
- ~~///~~ Financial Status Report
- ~~///~~ Project Non-Federal Share Report
- ~~///~~ Project Cost Line Item Report

Samples of these reports are shown in Job Aid 13-6.

Additionally, FEMA Form 20-19, Unobligated Balance of Federal Funds, Draw Downs, and Undrawn Funds should be used to monitor the status of funds for all open disasters. FEMA Form 20-19 is included as Job Aid 13-7.



**Job Aid 13-6 and 13-7**

**Cost  
Overruns  
and  
Underruns**

A cost overrun is an unanticipated increase in the cost of performing the specified objectives of the project/grant. A cost underrun is an unanticipated decrease in the cost of performing the specified objectives or the project/grant.

If the changes are due to a change in scope, then it is not treated as a cost overrun or underrun, rather as a programmatic change (see next section on scope changes).

**Approval  
Requirements**

Subgrantees might expend funds exceeding the approved estimates. In its Administrative Plan, the State must include instruction and procedures for request of additional funds, submission of documentation to support the additional costs, and State review and approval or disapproval. Documentation may include invoices, progress reports, etc.

States may approve cost overruns that can be met by offsetting cost underruns on other projects, so long as the full scope of work on all affected projects can still be met.

**Notification  
Requirements**

States must report all cost overruns and such circumstances affecting project costs to FEMA in quarterly reports. This includes those that can be offset by underruns.

**Scope  
Changes**

A change to the scope of an approved project is defined as any:

- ✍ Revision of the objectives of an approved project (regardless of budget implications).

Examples:

- ✍ The number of houses in a retrofit or acquisition project;
- ✍ The size of a replacement culvert; or
- ✍ The expanded or reduced project area.

- ✍ Change in the period of availability of funds; or
- ✍ Change in key personnel if specified in the application.

States must obtain prior approval from FEMA before implementing scope changes.

Per the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments:

- ✍ For construction projects, the grantee must “obtain prior written approval for any budget revision which would result in a need for additional funds” (44 CFR 13(c));
- ✍ A change in the scope of work must be approved by FEMA in advance regardless of the budget implications; and
- ✍ The grantee must notify FEMA as soon as significant developments become known, such as delays or adverse conditions or favorable conditions allowing for reduced cost or time schedule.

With FEMA approval, funds from cost underruns may be applied to scope changes even after the 24-month obligation timeline described on page 4-2.

Additionally, under non-construction projects, contracting out, subcontracting (if authorized by law), or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award requires prior approval.



### *Quarterly Progress Report Checklist*

**When preparing a Quarterly Progress Report for submission to FEMA, include the information shown below for each project.**

*///* Identifying information:

- ?? Disaster number.
- ?? Quarterly report number.
- ?? Report date.
- ?? The State Hazard Mitigation Officer's name and telephone number.

*///* The project number and title.

*///* The project status:

- ?? On schedule.
- ?? Suspended.
- ?? Delayed.
- ?? Canceled.
- ?? Completed.

*///* The approved completion date and, if different from the approved date, the actual completion date.

*///* The cost status:

- ?? Unchanged.
- ?? Overrun.
- ?? Underrun.

*///* Amount disbursed to date.

*///* Comments.





*Sample Quarterly Progress Report*

The sample below illustrates the types of information that should be included in a Quarterly Progress Report.

HMGP QUARTERLY PROGRESS REPORT									
Disaster Number:		Quarterly Report Number:							
Date of Report:		Point of Contact:							
Status Codes: 1—On Schedule 2—Suspended 3—Delayed 4—Cancelled 5—Completed		Phone:		Cost Codes: 1—Cost Unchanged 2—Cost Overrun 3—Cost Underrun		Actual Completion Date		Comments	
Project Number		Description		Approved Completion Date		Cost Code		Amount Dispersed	
Status Code									



**Standard Form 269, Financial Status Report (Long Form)**

This form is used to report the status of funds. Instructions for completing the form are provided on the back of the form (and reproduced on the following page).

**FINANCIAL STATUS REPORT**  
(Long Form)  
(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or other Identifying Number Assigned By Federal Agency		OMB Approval No <b>0348-0039</b>	Page 1 of 1 pages
3. Recipient Organization (Name and complete address, including ZIP code)					
4. Employer Identification Number		5. Recipient Account Number or Identifying Number		6. Final Report <input type="checkbox"/> Yes <input type="checkbox"/> No	7. Basis <input type="checkbox"/> Cash <input type="checkbox"/> Accrual
8. Funding Grant Period (See Instructions) From: (Month, Day, Year) To: (Month, Day, Year)			9. Period Covered by this Report From: (Month, Day, Year) To: (Month, Day, Year)		
10. Transactions:					
		I Previously Reported	II This Period	III Cumulative	
a. Total Outlays		0.00	0.00	0.00	
b. Refunds, rebates, etc.		0.00	0.00	0.00	
c. Program income used in accordance with the deduction alternative		0.00	0.00	0.00	
d. Net outlays (Line a, less the sum of lines b and c)		0.00	0.00	0.00	
<b>Recipient's share of net outlays, consisting of:</b>					
e. Third party (in-kind) contributions		0.00	0.00	0.00	
f. Other Federal awards enforced to be used to match this award		0.00	0.00	0.00	
g. Program income used in accordance with the deduction alternative sharing alternative		0.00	0.00	0.00	
h. All other recipient outlays not shown on lines e, f, or g		0.00	0.00	0.00	
i. Total recipient share of net outlays (Sum of lines e, f, g, and h)		0.00	0.00	0.00	
j. Federal Share of net outlays (Line d less line i)		0.00	0.00	0.00	
k. Total Unliquidated Obligations				0.00	
l. Recipient Share of Unliquidated Obligations				0.00	
m. Federal Share of Unliquidated Obligations				0.00	
n. Total Federal Share (sum of lines j and m)				0.00	
o. Total Federal funds authorized for this funding period				0.00	
p. Unobligated Balance of Federal Funds (Line o minus line n)				0.00	
<b>Program income, consisting of:</b>					
q. Distributed program income drawn or linked and/or is above				0.00	
r. Distributed program income using the addition alternative				0.00	
s. Undistributed program income				0.00	
t. Total program income reported (Sum of lines q, r, and s)				0.00	
11. Indirect Expense					
a. Type of Rate (Place "X" in appropriate box) <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed					
b. Rate		c. Base	d. Total Amount	e. Federal Share	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.					
Typed or Printed Name and Title				Telephone (Area code, number, and extension)	
Signature of Authorized Certifying Official				Date Report Submitted	





**Standard Form 269, Financial Status Report (Long Form) (Continued)**

**FINANCIAL STATUS REPORT**  
(Long Form)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0038), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETE FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

Please type or print legibly. The following general instructions explain how to use the form itself. You may need additional information to complete certain items correctly, or to decide whether a specific item is applicable to this award. Usually, such information will be found in the Federal agency's grant regulations or in the terms and conditions of the award (e.g., how to calculate the Federal share, the permissible uses of program income, the value of in-kind contributions, etc.). You may also contact the Federal agency directly.

Item	Entry	Item	Entry
1, 2 and 3.	Self-explanatory.	10b.	Enter any receipts related to outlays reported on the form that are being treated as a reduction of expenditure rather than income, and we not already netted out of the amount shown as outlays on line 10a.
4.	Enter the employer identification number assigned by the U.S. Internal Revenue Service.	10c.	Enter the amount of program income that was used in accordance with the deduction alternative.
5.	Space reserved for an account number or other identifying number assigned by the recipient.		NOTE: Program income used in accordance with other alternatives is entered on lines q, r, and s. Recipients reporting on a cash basis should enter the amount of cash income received; on an accrual basis, enter the program income earned. Program income may or may not have been included in an application budget and/or a budget on the award document. If actual income is from a different source or is significantly different in amount, attach an explanation or use the remarks section.
6.	Check <i>yes</i> only if this is the last report for the period shown in item 8.	10d, e, f, g, h, i and j.	Self-explanatory.
7.	Self-explanatory.	10k.	Enter the total amount of unliquidated obligations, including unliquidated obligation to subgrantees and contractors.  Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an outlay has not yet been recorded.  Do not include any amounts on line 10k that have been included on lines 10a and 10j.  On the final report, line 10k must be zero.
8.	Unless you have received other instruction from the awarding agency, enter the beginning and ending dates of the current funding period. If this is a multi-year program, the Federal agency might require cumulative reporting through consecutive funding periods. In that case, enter the beginning and ending dates of the grant period, and in the rest of these instructions substitute the term "grant period" for "funding period."	10l.	Self-explanatory.
9.	Self-explanatory.	10m.	On the final report, line 10m must also be zero.
10.	The purpose of columns I, II and III is to show the effect of this reporting period's transactions on cumulative financial status. The amount entered in column I will normally have the same as those in column III of the previous report in the same funding period. If this is the first or only report of the funding period, leave columns I and II blank. If you need to adjust amounts entered on previous reports, footnote the column I entry on this report and attach an explanation.	10n, o, p, q, r, s and t.	Self-explanatory.
10a.	Enter total gross program outlays. Include disbursements of cash realized as program income if that income will also be shown on lines 10c or 10g. Do not include program income that will be shown on lines 10r or 10s.  For reports prepared on a cash basis, outlays are the sum of actual cash disbursements for direct costs for goods and services, the amount of indirect expense charged, the value of in-kind contributions applied, and the amount of cash advances payments made to subrecipients. For reports prepared on an accrual basis, outlays are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase or decrease in the amounts owed by the recipient for goods and other property received, for services performed by employees, contractors, subgrantees and other payees, and other amounts becoming owed under programs for which no current services or performances are required, such as annuities, insurance claims, and other benefit payments.	11a.	Self-explanatory.
		11b.	Enter the indirect cost rate in effect during the reporting period.
		11c.	Enter the amount of the base against which the rate was applied.
		11d.	Enter the total amount of indirect costs charged during the report period.
		11e.	Enter the Federal share of the amount in 11d.
			NOTE: If more than one rate was in effect during the period shown in item 8, attach a schedule showing the bases against which the different rate were applied, the respective rates, the calendar periods they were in effect, amounts of indirect expense charges to the project, and the Federal share of indirect expense charged to the project to date.

SF 269 BACK (Rev. 2-92)





**Standard Form 269A, Financial Status Report (Short Form)**

This form is used to report the status of funds. Instructions for completing the form are provided on the back of the form (and reproduced on the following page).

**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned By Federal Agency		OMB Approval No. <b>0348-0039</b>	Page	of pages
3. Recipient Organization (Name and complete address, including ZIP code)						
4. Employer Identification Number		5. Recipient Account Number or Identifying Number		6. Final Report <input type="checkbox"/> Yes <input type="checkbox"/> No		7. Basis <input type="checkbox"/> Cash <input type="checkbox"/> Accrual
8. Funding/Grant Period (See Instructions) From: (Month, Day, Year)			To: (Month, Day, Year)		9. Period Covered by this Report From: (Month, Day, Year)	
					To: (Month, Day, Year)	
10. Transactions:		I Previously Reported	II This Period	III Cumulative		
a. Total outlays						
b. Recipient share of outlays						
c. Federal share of outlays						
d. Total unliquidated obligations						
e. Recipient share of unliquidated obligations						
f. Federal share of unliquidated obligations						
g. Total Federal share (Sum of lines c and f)						
h. Total Federal funds authorized for this funding period						
i. Unobligated balance of Federal funds (Line h minus line g)						
11. Indirect Expense		a. Type of Rate (Place "X" in appropriate box) <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed				
		b. Rate	c. Base	d. Total Amount	e. Federal Share	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.						
13. Certification: <b>I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.</b>						
Typed or Printed Name and Title				Telephone (Area code, number and extension)		
Signature of Authorized Certifying Official				Date Report Submitted		

NSN 7540-01-218-4387

269-201

Standard Form 269A (REV. 4-86)  
Prescribed by OMB Circulars A-102 and A-110





**Standard Form 269A, Financial Status Report (Short Form) (Continued)**

**FINANCIAL STATUS REPORT**

*(Short Form)*

Please type or print legibly. The following general instructions explain how to use the form itself. You may need additional information to complete certain items correctly, or to decide whether a specific item is applicable to this award. Usually, such information will be found in the Federal agency's grant regulations or in the terms and conditions of the award. You may also contact the Federal agency directly.

Item	Entry	Item	Entry
1, 2 and 3.	Self-explanatory		
4.	Enter the employer identification number assigned by the U.S. Internal Revenue Service.		contributions applied, and the net increase or decrease in the amounts owed by the recipient for goods and other property received, for services performed by employees, contractors, subgrantees and other payees, and other amounts becoming owed under programs for which no current services or performances are required, such as annuities, insurance claims, and other benefit payments.
5.	Space reserved for an account number or other identifying number assigned by the recipient.		
6.	Check <i>yes</i> only if this is the last report for the period shown in item 8.		
7.	Self-explanatory.	10b.	Self-explanatory.
8.	Unless you have received other instructions from the awarding agency, enter the beginning and ending dates of the current funding period. If this is a multi-year program, the Federal agency might require cumulative reporting through consecutive funding periods. In that case, enter the beginning and ending dates of the grant period, and in the rest of these instructions, substitute the term "grant period" for "funding period."	10c.	Self-explanatory.
9.	Self-explanatory.	10d.	Enter the amount of unliquidated obligations, including unliquidated obligations to subgrantees and contractors.  Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an outlay has not yet been recorded.  Do not include any amounts on line 10d that have been included on lines 10a, b or c.  On the final report, line 10d must be zero.
10.	The purpose of columns I, II and III is to show the effect of this reporting period's transactions on cumulative financial status. The amounts entered in column I will normally be the same as those in column III of the previous report in <i>the same funding period</i> . If this is the first or only report of the funding period, leave columns I and II blank. If you need to adjust amounts entered on previous reports, footnote the column I entry on this report and attach an explanation.	10e, f, g, h and i.	Self-explanatory.
10a.	Enter total program outlays less any rebates, refunds, or other credits. For reports prepared on a cash basis, outlays are the sum of actual cash disbursements for direct costs for goods and services, the amount of indirect expense charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to sub-recipients. For reports prepared on an accrual basis, outlays are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions	11a.	Self-explanatory.
		11b.	Enter the indirect cost rate in effect during the reporting period.
		11c.	Enter the amount of the base against which the rate was applied.
		11d.	Enter the total amount of indirect costs charged during the report period.
		11e.	Enter the Federal share of the amount in 11d.
		Note:	If more than one rate was in effect during the period shown in item 8, attach a schedule showing the bases against which the different rates were applied, the respective rates, the calendar periods they were in effect, amounts of indirect expense charged to the project, and the Federal share of indirect expense charged to the project to date.

SF 269A (4 88) Back





**FEMA Form 20-10, Financial Status Report**

<b>FEDERAL EMERGENCY MANAGEMENT AGENCY FINANCIAL STATUS REPORT</b>		<i>See reverse side for Paperwork Burden Disclosure Notice</i>		<b>SAMPLE FORM</b> Page ___ of ___ pages		<i>O.M.B. NO. Expires</i>	
1. FEDERAL AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH REPORT IS SUBMITTED		2. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED		3. RECIPIENT ORGANIZATION (Name and complete address, including zip code)			
4. EMPLOYER I.D. NUMBER	5. RECIPIENT ACCT. NO. OR I.D. NO.	6. FINAL REPORT <input type="checkbox"/> YES <input type="checkbox"/> NO	7. BASE <input type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL	8. Funding/Grant Period FROM: _____ TO: _____		9. Period Covered This Report FROM: _____ TO: _____	
<b>STATUS OF FUNDS</b>							
10. PROGRAM ACRONYM CFDA NUMBER	(a)	(b)	(c)	(d)	(e)		
a. Net Outlays	\$	\$	\$	\$	\$		
b. Recipient share of outlays							
c. Federal share of outlays							
d. Total unliquidated obligations							
e. Recipient share of unliquidated obligations							
f. Federal share of unliquidated obligations							
g. Total Federal share (Sum of line o and line f)							
h. Total Federal funds authorized for this funding period							
i. Unobligated balance of Federal funds (line h minus line g)							
<b>COMPUTATION OF TOTAL INDIRECT COST EXPENSE AS REPORTED ON LINES 10a TO 10g.</b>				<b>SAMPLE FORM</b>			
11. a. Type of indirect cost rate (place x in the appropriate box)		<input type="checkbox"/> Provisional-Final		<input type="checkbox"/> Predetermined		<input type="checkbox"/> Fixed with carry over Forward	
b. Indirect cost rate							
c. Base							
d. Total amount of indirect cost							
e. Federal share of indirect cost							
12. <b>REMARKS:</b> Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation. Obligations are for the purposes set forth.							
13. <b>CERTIFICATION:</b> I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.							
TYPE OR PRINT NAME AND TITLE		SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		TELEPHONE NO. (Include area code, and extension)		DATE	

FEMA FORM 20-10



## ***FEMA Form 20-10, Financial Status Report (Continued)***

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### **Paperwork Burden Disclosure Notice**

“Public reporting burden for this form is estimated to average 1 hour per response. The burden estimate includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing, reviewing, and submitting the form. Send comments regarding the accuracy of the burden estimate and any suggestions for reducing the burden to: Information Collections Management, Federal Emergency Management Agency, 500 C Street, SW, Washington, DC 20472.”

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#### **INSTRUCTIONS**

1. Enter the FEMA Regional Office which awarded the grant/cooperative agreement to your organization.
2. Enter the number assigned by FEMA and listed in item 1 of the Obligating Document for Award/Amendment, FEMA Form 76-10A.
3. Enter the name and address of the organization receiving the funds. This information should be the same information as shown in item 5 of FEMA Form 76-10A.
4. Enter the number assigned to the recipient by the Internal Revenue Service. This number should be the same as the number reported in item 6 of the applicant’s Application for Federal Assistance, SF 424.
5. Enter the account number or other identifying number assigned by the recipient.
6. Mark the appropriate box.
7. Mark the appropriate box.
8. Enter the beginning and ending dates of the current grant period.
9. Enter the beginning and ending dates of the quarter being reported.
10. Enter the program acronym for each program being reported. Enter the CFDA number assigned to the program being reported. Enter the cumulative amounts of:



**FEMA Form 20-10, Financial Status Report (Continued)**

- 10a. Outlays for each program (Federal and non-Federal). Enter cumulative program outlays less any rebates, refunds, or other credits.
- 10b. Non-Federal outlays that are included in line 10a.
- 10c. Federal outlays that are included in line 10a.
- 10d. Unliquidated obligations (Federal and non-Federal), including unliquidated obligations to subgrantees and contractors.
- 10e. Non-Federal unliquidated obligations which are included in line 10d.
- 10f. Federal share of unliquidated obligations included in line 10d.
- 10g. Enter the total Federal share of outlays and unliquidated obligations.
- 10h. The amount of Federal funds authorized for the grant period.
- 10i. This amount should be line 10h minus line 10g.
- 11. Report in this section the computation of total indirect costs reported on lines 10a through 10g.
  - 11a. Check the appropriate box.
  - 11b. Enter in each column the indirect cost rate(s) that were in effect during the reporting period. If more space is needed, attach a schedule showing the computation of indirect cost.
  - 11c. Enter in each column the amount of base to which the indirect cost rate was applied.
  - 11d. Enter total amount of indirect cost charged during the report period.
  - 11e. Enter total amount of Federal share of the indirect cost.
- 12. Self-explanatory.
- 13. Enter the name, title, telephone number of the authorized certifying official, and date report was submitted.

Refer to Outlays Module, Part I, for detailed instructions.



*NEMIS Status Repots: Quarterly Tracking Report*

Date: 02/16/98

**Quarterly Tracking Report**

Page 1 of 1

Disaster Number: 1006

State: MO

Region: 7

Declaration Date: 12/01/1993

<b>Quarterly Report Number</b>	<b>Report Generation Date</b>	<b>Report Period Start Date</b>	<b>Report Period End Date</b>
1	11/10/1997	01/01/1997	03/31/1997





*NEMIS Status Repots: Quarterly Reports by Project*

Date: 02/16/98

**Quarterly Report Listing Projects**

Page 1 of 1

Disaster Number: **1006**

State: **MO**

Region: **7**

Declaration Date: **12/01/1993**

Report Number: 1

Report Period Start Date: 01/01/1997

Report Period End Date: 03/31/1997

Report Generation Date: 11/10/1997

<b>FEMA Project Number</b>	<b>Amendment Number</b>	<b>State App ID</b>	<b>Date Approved</b>	<b>Grant Amount</b>	<b>Status Code</b>	<b>Completion Date</b>	<b>Cost Code</b>	<b>Amount Dispersed</b>
1-M	0	1	11/06/1997	\$100,000	Completed	01/01/1998	Cost Unchanged	\$88,878

*Comments:*







*NEMIS Status Repots: Field Survey Report*

Date: 04/01/1998

**Field Survey Report**

Page 1 of 1

Disaster Number: **6251**

State: **LA**

Region: **6**

Declaration Date: **02/20/1998**

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<b>FEMA Project Nr</b>	<b>Field Survey Title</b>	<b>Subgrantee</b>	<b>Final Project Approval Date</b>
8-F	Field Survey for Wetlands Restoration Project (Ap ID 41) <i>Project Title: 5% Pfisteria Brochure</i>	Regional Council of Government COG-8	03/10/1998



**NEMIS Status Reports: Financial Status Report**

Date: 02/24/1998

**HMGP Financial Activity**

Page 1 of 1

Disaster Number: **1006** State: **MO** Region: **7** Declaration Date: **12/01/1993** Grantee: State Emergency Management Agency

	Projected	Total Allocated in NEMIS	Total Obligated in NEMIS	Available
	A	B	C	D (A-C)
HMGP Project Funds	\$1,305,000	\$75,000	\$75,000	\$1,230,000
Regular Projects	\$1,230,000	\$0	\$0	\$1,230,000
5% Initiative Projects	\$0	\$0	\$0	\$0
State Management Costs	\$75,000	\$75,000	\$75,000	\$0
Estimated Ceiling	\$1,305,000	\$75,000	\$75,000	\$1,230,000
Grantee Admin Costs	\$41,364	\$2,250	\$2,250	\$39,114
Subgrantee Admin Costs	\$73,800	\$0	\$0	\$73,800
Admin Cost Sub Total	\$115,164	\$2,250	\$2,250	\$112,914
<b>TOTALS</b>	<b>\$1,420,164</b>	<b>\$77,250</b>	<b>\$77,250</b>	<b>\$1,342,914</b>





**NEMIS Status Reports: Project Non-Federal Share Report**

**Non-Fed Share Fund**

<i>Disaster Number</i>	<i>FEMA Project Number</i>	<i>Amendment Number</i>	<i>State App ID</i>	<i>State</i>	<i>Grantee</i>
<b>6251</b>	<b>16-R</b>	<b>0</b>	<b>41</b>	<b>LA</b>	State Emergency Management Agency

*Subgrantee: COG for Beaufort, Shelly, and Roth Counties*

*Project Title: Wetlands Restoration*

<b>Source Agency</b>	<b>Source Name</b>	<b>Funding Type</b>	<b>Funds Avail Date</b>	<b>Funds Commitment Letter Date</b>
Local	Ladies Sewing Circle	Cash	00/00/0000	00/00/0000
Other Funding Type Description				

<u>Item Name</u>	<u>Unity Qty</u>	<u>Unit of Measure</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Cash Donation	1	EA	\$90,500	\$90,500
			Grand Total Cost:	\$90,500



*NEMIS Status Reports: Project Cost Line Item Report*

**Project Cost Estimate**

Disaster Number: **6251**    State: **LA**    Application ID: **41**    Project Amendment Number: **0**

*Do not include Administrative Cost. These are calculated when funds are obligated for approved projects.*

Item Name	Unit Qty	Unit of Measure	Unit Cost	Cost Estimate
plants	1	EA	\$100,000.00	\$100,000.00
labor	5,000	HR	\$50.00	\$250,000.00
design	1	EA	\$12,000.00	\$12,000.00
Total Project Cost Estimate				<b>\$362,000.00</b>



**FEMA Form 20-19, Report of Unobligated Balance of Federal Funds, Draw Downs, and Undrawn Funds**

<b>FEDERAL EMERGENCY MANAGEMENT AGENCY RECONCILIATION OF GRANTS AND COOPERATIVE AGREEMENTS</b>				<i>See reverse side for Paperwork Burden Disclosure Notice</i>		<i>O.M.B. No. 3067-0206</i>	
<b>REPORT OF UNOBLIGATED BALANCE OF FEDERAL FUNDS, DRAW DOWNS, AND UNDRAWN FUNDS</b>							
1. STATE OF				2. GRANT/COOPERATIVE AGREEMENT NUMBER			
3. GRANT/COOPERATIVE AGREEMENT DESCRIPTION				4. PROJECT/TASK NUMBER			
5. PERIOD BEGINNING DATE		ENDING DATE		6. FINANCIAL MANAGEMENT CODE		7. COMPLETION DATE	
<b>B. HISTORY OF TRANSACTIONS</b>							
(a)  Transaction Date Mo/Day/Yr	(b)  Description of Transaction	Financial Status of Federal Funds			Drawn Down		Undrawn
		(c)  Award Amount	(d)  Total Federal Share of Outlays and Unliquidated Obligations	(e)  Unobligated Balance of Federal Funds (e) = (c) - (d)	(f)  Amount	(g)  Cumulative Amount	(h)  Funds Available To Be Drawn (h) = (c) - (g)



**FEMA Form 20-19, Report of Unobligated Balance of Federal Funds, Draw Downs, and Undrawn Funds**  
(Continued)

### BURDEN DISCLOSURE NOTICE

“Public reporting for this form is estimated to average 5 minutes per response. The burden estimate includes the time for reviewing instructions, searching existing data resources, gathering and maintaining the data needed, and completing, reviewing, and submitting the form. Send comments regarding the accuracy of the burden estimate and any suggestions for reducing the burden to: Information Collections Management, Federal Emergency Management Agency, 500 C Street, SW, Washington, DC 20472.”

### REPORT OF UNOBLIGATED BALANCE OF FEDERAL FUNDS, DRAW DOWNS, AND UNDRAWN FUNDS INSTRUCTIONS

1. State of: Name of grantee (*example: State of XYZ Emergency Management Agency*).
2. Grant/Cooperative Agreement Number: Number assigned by the Regional Office to identify a grant/cooperative agreement. Can be found on FEMA Form 76-10A, Obligating Document for Award/Amendment.
3. Grant/Cooperative Agreement Description: Acronym of grant/cooperative agreement being funded (*example: SLA, DPIG*).
4. Project/Task Number: Number assigned by implementing organization to identify project/task.
5. Period Beginning Date: Date grant/cooperative agreement is to begin. Ending Date: Date grant/cooperative agreement is to end.
6. Financial Management Code: 16-digit code used in accounting system to identify and track funds (*example 95-3-6200-4120-2-9XXX*). The last three digits identifies the office and division. Detailed instructions on the use of financial management codes can be found in FEMA Manual 2300.10, Financial Management and Multi-Year Planning Codes. This manual is updated annually.
7. Completion Date: 90 days after project ends. If the Ending Date changes, the Completion Date automatically changes so that it is 90 days after Ending Date.
8. History of Transactions:
  - (a) Transaction Date: Date Transaction is being made.
  - (b) Description of Transaction: Identifies the type of transaction being made (*example: award, 1st quarter report*); or the voucher assigned to the transaction (*example: vo. 95-1, vo. 95-2*).
  - (c) Award Amount: Dollar amount of initial award or amendment.
  - (d) Total Federal Share of Outlays and Unliquidated Obligations: Can be found on line 10g of FEMA Form 20-10, or line 11q of FEMA Form 20-17.
  - (e) Unobligated Balance of Federal Funds (e) = (c) - (d): Self explanatory, compute formula shown.
  - (f) Drawn Down Amount: Dollar amount of draw down.
  - (g) Cumulative Draw Down Amount: Total dollar amount of draw downs made after each transaction.
  - (h) Funds Available To Be Drawn (h) = (c) - (g): Self explanatory, compute formula shown.





**FEMA Form 20-19, Report of Unobligated Balance of Federal Funds, Draw Downs, and Undrawn Funds (Continued)**

**PREPARATION INSTRUCTIONS FOR  
REPORT OF UNOBLIGATED BALANCE OF  
FEDERAL FUNDS, DRAW DOWNS, AND UNDRAWN FUNDS  
FEMA FORM 20-19**

- A. GENERAL INFORMATION:** FEMA Form 20-19, Report of Unobligated Balance of Federal Funds, Draw Downs, and Undrawn Funds, should be used to reconcile awards, outlays, and draw downs during and at completion of a grant or cooperative agreement.

FEMA Form 20-19 -- Things To Remember During Award Cycle.

The Cumulative Amount of Draw Downs (column g) should not exceed the total Award Amount (column c).

The amount reported for Total Federal Share of Outlays and Unliquidated Obligations (column d) should not exceed the Total Award Amount (column c).

FEMA Form 20-19 -- Things To Remember At Closeout.

Before a grant or cooperative agreement can be closed out, the totals of columns (c), (d), and (g) must be equal.

If the award is greater than the final reported outlays, there needs to be a deobligation of Federal funds.

If the award is less than outlays, the recipient will be required to explain excessive outlays.

If draws are greater than final outlays, a refund of cash advanced is needed.

If draws are less than final outlays, an additional draw down is necessary.

**B. DETAILED INSTRUCTIONS FOR FEMA FORM 20-19:**

1. State Of Name of grantee (example: State of XYZ Emergency Management Agency).
2. Grant/Cooperative Agreement Number. Number assigned by the Regional Office to identify a grant/cooperative agreement. This number can be found on FEMA Form 76-10A, Obligor Document for Award/Amendment.





**FEMA Form 20-19, Report of Unobligated Balance of Federal Funds, Draw  
Downs, and Undrawn Funds (Continued)**

3. Grant/Cooperative Agreement Description. Acronym of grant/cooperative agreement being funded (example: SLA, DPIG).
4. Project/Task Number: Number assigned by implementing organization to identify project/task.
5. Period Beginning Date: Date grant/cooperative agreement is to begin.  
Ending Date: Date grant/cooperative agreement is to end.
6. Financial Management Code. This is a 16-digit code used in the accounting system to identify and track funds (example: 95-3-6200-4120-2-9XXX). The last three digits identifies the office and division. Detailed instructions on the use of financial management codes can be found in FEMA Manual 2300.13, Financial Management and Multi-Year Planning Codes. This manual is updated annually.
7. Completion Date. 90 days after project ends. If the Ending Date changes, the Completion Date automatically changes so that it is 90 days after Ending Date.
8. History of Transactions.
  - (a) Transaction Date. Date transaction is being made.
  - (b) Description of Transaction. Identifies the type of transaction being made (example: award, 1st quarter report); or the voucher number assigned to the transaction (example: Voucher 95-1, Voucher 95-2, etc.)
  - (c) Award Amount. Dollar amount of initial award or amendment.
  - (d) Total Federal Share of Outlays and Unliquidated Obligations. This amount is shown on line 10g of FEMA Form 20-10 or line 11q of FEMA Form 20-17.
  - (e) Unobligated Balance of Federal Funds (e) = (c) - (d). Self explanatory, compute formula shown. Also, this amount is shown on line 10i of FEMA Form 20-10.
  - (f) Draw Down Amount. Dollar amount of draw down.
  - (g) Cumulative Draw Down Amount. Total dollar amount of draw downs made after each transaction.
  - (h) Funds Available To Be Drawn (h) = (c) - (g). Self explanatory, compute formula shown.







## **Section 14: Closeouts and Audits**





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## Closeout

44 CFR 13.50 requires FEMA to close out the Hazard Mitigation Grant Program awards when all applicable administrative and required work has been completed. Each individual project and the entire Hazard Mitigation Grant Program need to be closed out.

The State should notify the FEMA region when a project is ready to be closed. Otherwise, upon apparent completion, FEMA may suggest project closure to the State.

There are five basic steps in the closure of a project:

1. Agreement to close the project.
2. Reconciliation/adjustment of project costs.
3. Submission of the final project report.
4. Site visit.
5. Project closeout in program and financial systems.

These steps are explained in greater detail in the following paragraphs.

### **Agreement to Closeout**

If the State and FEMA concur that the project is ready to be closed, the closeout proceeds. The State, however, may not agree. The State may request an extension, appeal denied projects, or request approval of cost overruns that necessitate eligibility reviews.

### **Reconcile-ment/Adjust-ment of Project Costs**

The subgrantee, the State, and FEMA must coordinate to make sure that funds advanced through the program balance with funds expended by the State and subgrantee.

If the amount expended does not match the grant amount, the State and FEMA will take steps to reconcile and adjust final project expenditures and grantee and subgrantee administrative costs.

### **Submission of Final Project Report**

The State should submit a final project report that addresses any financial adjustments that FEMA and the State identifies as needed.

States should include these elements in the final project report:

- ~~///~~ Final Financial and Progress report (if applicable).
- ~~///~~ Standard Form 270, Final Request for Payment, if applicable (included as Job Aid 14.1).
- ~~///~~ FEMA Form 20-18, Report of Government Property (included as Job Aid 14.2).
- ~~///~~ Final inspection reports.
- ~~///~~ Photographs, etc., to validate expenditures.



**Job Aid 14-1  
and 14-2**

## Section 14: Closeouts and Audits

<b>Site Visit</b>	The State should conduct a site visit for all projects to ensure the approved scope of work was completed.
<b>Appeal of Ruling</b>	The subgrantee has 60 days to appeal if it does not agree with the State and FEMA's findings.
<b>Closure of Tracking Systems</b>	FEMA and the State will coordinate their financial systems to record the amount and date of the final payment. Financial files will be closed and excess funds will be deobligated.
<b>Using NEMIS for Project Closeout</b>	<p>The State may use the Project Closeout module on the National Emergency Management Information System to review individual mitigation for work completion and financial balance. The module also is used to close a project.</p> <p>The task of reviewing project identifiers is performed on the Project Closeout screen. See the NEMIS Software User Manual for detailed guidance.</p>
<b>Program Closeout</b>	<p>Once all projects under a single Hazard Mitigation Grant Program are closed, the entire program is ready for closeout. Four steps comprise the program closeout:</p> <ol style="list-style-type: none"><li>1. Closeout of management costs;</li><li>2. Closeout of mission assignments and technical assistance contracts;</li><li>3. Agreement on amount and closeout date; and</li><li>4. Closeout of the HMGP in program and financial systems.</li></ol>
<b>Closeout of Management Costs</b>	<p>The FEMA/State Management Cost agreement governs the process of reconciling and closing management costs. That agreement established the amount of management costs and the approved staffing pattern.</p> <p>Actual management costs must be reconciled with FEMA obligations and approved staffing patterns must be confirmed.</p> <p>To close out management costs, the State must:</p> <ul style="list-style-type: none"><li><del>☐</del> Review management costs items;</li><li><del>☐</del> Report the cost management figures recorded from Smartlink drawdowns;</li><li><del>☐</del> Document approved staffing patterns; and</li><li><del>☐</del> Review property disposition records.</li></ul> <p>FEMA and the State will make adjustments for cost overruns and underruns, and concur on closing management costs.</p>

**Closeout of Mission Assignments/ Contracts**

All mission assignments and technical assistance contracts must be closed before the program can be closed. Generally, HMGP projects generate few mission assignments. Technical assistance contracts most frequently are for environmental reviews that are conducted early in the program.

**Agreement on Amount/ Closeout Date**

FEMA and the State will agree on the Final Claim Amount and on the Concurrence Date. The State will generate a concurrence letter and sign Standard Form 269, 269A, or FEMA Form 20-10.



**Job Aid 13-3, 13-4, and 13-5**

Standard Forms 269 and 269A are included as Job Aids 13-3 and 13-4. FEMA Form 20-10 is included as Job Aid 13-5.

**Closeout in Program/ Financial Systems**

The State will record the HMGP closeout in its program and financial records. The FEMA and State Hazard Mitigation Officers are responsible for coordinating and ensuring that both Federal and State records are available in the event of an audit.

**Closeout Steps for State Grantee**

The State grantee has specific responsibilities at each stage of the HMGP closeout process. The steps required to close out the HMGP at the State level are shown in Job Aid 14-3, together with the applicable timeframes for closeout.



**Job Aid 14-3**

**Use NEMIS for Program Closeout**

The MT Disaster Closeout process on the National Emergency Management Information System enables the consolidation of the individual mitigation project closeout actions and verifies that all projects that comprise the mitigation activity for this disaster are complete and that the disaster may be closed.

The task of reviewing the status of individual projects is performed on the Disaster Closeout screen. See the NEMIS Software User Manual for detailed guidance.

**Closeout Steps for FEMA Regional Level**

To comply with 44 CFR 513.50, FEMA regional staff complete the steps outlined in Job Aid 14-4.

Job Aid 14-5 contains a checklist that will assist in the preparation of the Project Closeout Report.



**Job Aid 14-4 and 14-5**

**Audits**

State and local governments that receive grant funds from FEMA must comply with the audit requirements under the Single Audit Act of 1984, P.L. 98-502.

The Single Audit Act, implemented by OMB Circular A-133, "Audit of State and Local Governments," requires that:

- ✍ State or local governments that receive \$300,000 or more a year in Federal financial assistance shall have an audit in accordance with the circular; and
- ✍ State or local governments that receive less than \$300,000 a year shall be exempt from audit requirements for that year.

Audits will be conducted annually by an independent auditor and will examine either the entire operations of the government or those departments or agencies that received, expended, or administered Federal funds. The subgrantee should maintain complete records of all work, including receipts, checks, job orders, contracts, equipment usage, payroll information, and any other necessary documentation that would be required for an audit.

If there is evidence of noncompliance, the State should ensure that appropriate corrective action is taken within 6 months. The State will provide a copy to the FEMA Inspector General.

**Exceptions to Annual Audits**

Under two circumstances audits will be conducted biennially covering both years. Those circumstances are:

- ✍ Those States or localities that have, by January 1, 1987, enacted constitutional or statutory requirement for less frequent audits; and
- ✍ Requests from governments that have administrative policy calling for audits less frequent than annual, but only for fiscal years beginning before January 1, 1987.

Additionally, FEMA may conduct audits of States and subgrantees of HMGP funds.

**Audit Trail Required**

The State, as grantee, is responsible for informing the subapplicant of the need for an audit trail. The grant recipient is obligated to break out costs. Either the State or the subgrantee should retain all backup documentation such as:

- ✍ Invoices;
- ✍ Canceled checks;
- ✍ Acquisition/real property project records (deed, title, easements, etc.); and
- ✍ Engineering certificates.

This detailed backup information will not be submitted in quarterly reports to FEMA but must be stored and made available for State or FEMA auditors to review.





SF 270, Final Request for Payment

REQUEST FOR ADVANCE OR REIMBURSEMENT		Approved by Office of Management and Budget, No. 80-RO183		PAGE OF PAGES
<i>(See instructions on back)</i>		a. "X" one, or both boxes <input type="checkbox"/> ADVANCE <input type="checkbox"/> REIMBURSEMENT		2. BASIS OF REQUEST <input type="checkbox"/> CASH
3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED		b. "X" the applicable box <input type="checkbox"/> FINAL <input type="checkbox"/> PARTIAL <input type="checkbox"/> ACCRUAL		<input type="checkbox"/> CASH
4. EMPLOYER IDENTIFICATION NUMBER		5. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY		6. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST
7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER		8. PERIOD COVERED BY THIS REQUEST FROM (month, day, year) TO (month, day, year)		
9. RECIPIENT ORGANIZATION  Name: _____  Number and Street: _____ City, State and ZIP Code: _____		10. PAYEE (If name check is to be sent is different than item 9)  Name: _____  Number and Street: _____ City, State and ZIP Code: _____		
11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED				
PROGRAMS/FUNCTIONS/ACTIVITIES	(a)	(b)	(c)	TOTAL
a. Total program outlays to date <i>(As of date)</i>	\$	\$	\$	\$
b. Less: Cumulative program income				
c. Net program outlays <i>(Line a minus line b)</i>				
d. Estimated net cash outlays for advance period				
e. Total <i>(Sum of lines c &amp; d)</i>				
f. Non-Federal share of amount on line e				
g. Federal share of amount on line e				
h. Federal payments previously requested				
i. Federal share now requested <i>(Line g minus line h)</i>				
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month			
	2nd month			
	3rd month			
12. ALTERNATE COMPUTATION FOR ADVANCES ONLY				
a. Estimated Federal cash outlays that will be made during period covered by the advance				\$
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period				
c. Amount requested <i>(Line a minus line b)</i>				\$
13. CERTIFICATION				
I certify that to the best of my knowledge and belief the data above are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		DATE REQUEST SUBMITTED	
	TYPED OR PRINTED NAME AND TITLE		TELEPHONE (AREA CODE, NUMBER, EXTENSION)	
This space for agency use				



**SF 270, Final Request for Payment (Continued)**

**INSTRUCTIONS**

Please type or print legibly. Items 1, 3, 5, 9, 10, 11c, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

<i>Item</i>	<i>Entry</i>	<i>Item</i>	<i>Entry</i>
2	Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis.		use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
4	Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement.	11a	Enter in "as of date", the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
6	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.	11b	Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.	11d	Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
8	Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.	13	Complete the certification before submitting this request.
<p><b>Note:</b> The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.</p>			
11	The purpose of the vertical columns (a), (b), and (c), is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or activity. If additional columns are needed,		



FEMA Form 20-18, Report of Government Property

FEDERAL EMERGENCY MANAGEMENT AGENCY <b>REPORT OF GOVERNMENT PROPERTY</b>		O.M.B. No. 3067-0206 Expires June 30, 1998									
NOTE: This form is to be submitted at the completion of a grant, cooperative agreement or contract and is to provide a listing of inventoried expendable and nonexpendable equipment purchased or Federally Owned furnished equipment. In column (j) suggest disposition instructions. FEMA will approve or disapprove the recipient's disposition request within 120 days after FEMA has accepted the recipient's final report. This report covers <input type="checkbox"/> expendable <input type="checkbox"/> nonexpendable											
1. DATE OF REPORT	2. FEMA IDENTIFICATION No.	3. NAME & TITLE OF RECIPIENT (Type or print)	4. NAME AND TITLE OF AUTHORIZED REPRESENTATIVE								
		5. SIGNATURE									
6. LIST BELOW EACH ITEM OF GOVERNMENT PROPERTY											
Government ID No. and FSJN (a)	Description of Item (b)	MFR Serial NOS (c)	MFR (c)	Quantity (e)	Condition (f)	Location (g)	Cost (h)	Date Received (i)	Recipient's Disposition Request (j)	Approval YES (k) / No (l)	For Use by FEMA Only (m)

FEMA Form 20-18, JUL 95



*FEMA Form 20-18, Report of Government Property (Continued)*

**PREPARATION INSTRUCTIONS FOR  
REPORT OF GOVERNMENT PROPERTY  
FEMA FORM 20-18**

**AUTHORITY FOR THESE INSTRUCTIONS: 44 CFR 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Subpart C – Post-Award Requirements, Section 13.23 and 13.33.**

**A. GENERAL INFORMATION:** In all FEMA grants or cooperative agreements, the recipient will be held accountable for equipment and supplies. FEMA Form 20-18 is designed to meet the management requirements as set forth in 44 CFR 13.32 and 13.33. The recipient must submit one copy of FEMA Form 20-18 to the cognizant FEMA regional office as part of the required FEMA closeout procedures for a grant or cooperative agreement. Separate forms are required for equipment (acquired under a grant and Federally owned) and supplies.

Equipment purchased under a grant or cooperative agreement means an article of tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

FEMA reserves the right to transfer title of grant acquired equipment to the Federal Government or a third party named by FEMA when such third party is otherwise eligible under existing statutes. To exercise this right, FEMA must identify the equipment acquired in the grant or cooperative agreement.

In the event a grantee or subgrantee is provided federally owned equipment:

- (1) Title to Federally owned equipment remains vested in the Federal Government.
- (2) Grantees or subgrantees will manage the equipment in accordance with Federal agency rules and procedures and submit a FEMA Form 20-18 annually.

Supplies includes all tangible, personal property other than equipment as defined in paragraph A.



**FEMA Form 20-18, Report of Government Property (Continued)**

Upon completion of a grant or cooperative agreement, the recipient is required to submit listings of equipment and supplies to FEMA and request disposition instructions for the following:

- (1) All equipment purchased under the grant or cooperative agreement having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.
- (2) All Federally owned equipment used during the grant or cooperative agreement.
- (3) Unused supplies where residual inventory exceeds \$5,000 in total aggregate fair market value.

FEMA will approve or disapprove the disposition request within 120 days after receipt.

**B. DETAILED INSTRUCTIONS:**

- Item 1 Date of Report. Enter the date of the report.
- Item 2 FEMA IDENTIFICATION NUMBER. Enter the Grant or Cooperative Agreement Number being reported. This number is found in Item 1 of the Obligating Document for Award/Amendment (FEMA Form 76-10A).
- Item 3 NAME AND TITLE OF RECIPIENT. Print or type the recipient's name and title.
- Item 4 NAME AND TITLE OF AUTHORIZED REPRESENTATIVE. Print or type the authorized representative's name and title.
- Item 5 SIGNATURE. Authorized representative's signature.
- Item 6a GOVERNMENT ID NO. AND FSN. Enter the recipient's identification number and Federal stock number (FSN), if applicable.
- Item 6b DESCRIPTION OF ITEM. List a brief description of item.
- Item 6c MFR. Enter the manufacturer's name.
- Item 6d MFR SERIAL NO. Enter the manufacturer's serial number.
- Item 6e QUANTITY. List the quantity.
- Item 6f CONDITION. Describe the condition of item being reported.
- Item 6g LOCATION. List the location of item being reported.
- Item 6h COST. Enter the cost of item being reported.
- Item 6i DATE RECEIVED. Enter the date of purchase or date item was received by the recipient.



***FEMA Form 20-18, Report of Government Property (Continued)***

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- Item 6j RECIPIENT'S DISPOSITION REQUEST. Enter the recipient's suggested disposition for each item being reported.
- Item 6k-1 APPROVAL. FEMA indicates approval or disapproval of the disposition request (FEMA will return the FEMA Form 20-18 to the recipient).
- Item 6m FOR USE BY FEMA ONLY.



**Program Closeout: State Grantees**

The steps required to close out the HMGP at the State level are shown below, together with the applicable timeframes for closeout.

<b>STEP</b>	<b>ACTION</b>	<b>TIMEFRAME</b>
1	Reconcile cash with award and outlays.	Prior to closeout
2	Notify subgrantees when projects are ready for closeout.	As required
3	Complete final project inspections, audits, etc., required to make final project determinations.	As required
4	Make final payments (or recoupments) on all projects.	As required
5	Address all appeals filed by subgrantees.	As required
6	Work with FEMA Regional staff to reconcile grant funds.	30 days before submitting closeout package.
7	Prepare and submit (via certified mail) the closeout package, including: Letter from GAR or POC to RD requesting program closeout and deobligation of unused funds.  Final Status Report (SF 269).  Final Request For Payment (SF 270) (if applicable).  Report of Government Property (if applicable) (FEMA Form 20-18).  Report of Unobligated Balance of Federal Funds, Draw Downs, and Undrawn Funds (FEMA Form 20-19).	90 days after all program work is completed.
8	Receive and process cost adjustments or return unobligated cash advanced to FEMA (via Smartlink).	Within 90 days after FEMA receives the final closeout package.
9	File a copy of the closeout package for 3 years from the date it was mailed to FEMA.	N/A



**Program Closeout: FEMA**

44 CFR 13.50 requires FEMA to close out the HMGP when all applicable administrative and required work has been completed. The steps required to close out the HMGP at the FEMA regional level are shown below.

<b>STEP</b>	<b>ACTION</b>	<b>DATA SOURCE(S)</b>
1	<p>Close out individual projects:</p> <p>Review NEMIS reports and State status reports to identify projects that can be closed out.</p> <p>Reconcile NEMIS and State budget figures. (Work with the SHMO or POC as necessary.)</p> <p>Monitor dates of final payments to subgrantees.</p> <p>After 60-day appeal period, write a letter to the State recommending closeout of completed projects.</p> <p>Close projects in NEMIS and print reports to include in the disaster closeout file.</p>	<p>Copies of bills and summary documentation from the State</p> <p>SF 272, Federal Cash Transaction Report (Smartlink)</p> <p>NEMIS Quarterly Report Tracking and NEMIS Quarterly Reports by Project</p>
2	<p>Review program documentation for the disaster:</p> <p>Receive and file State appeal notifications and project closeout packages.</p> <p>Verify receipt of the final quarterly report.</p> <p>Verify that all final inspections have been completed and that appeals have been resolved.</p> <p>Ensure that all HM mission assignments are closed.</p>	<p>Program closeout package</p> <p>Final Status Report (from the final closeout package)</p> <p>Copies of bills and summary documentation from the State</p> <p>NEMIS Appeal Report</p> <p>NEMIS Closeout Report</p>
3	<p>Coordinate with the State to close the program:</p> <p>Monitor administrative cost data submitted by the State.</p> <p>Examine Smartlink balances to determine the status of drawdowns.</p> <p>Notify the State (as necessary) to ensure that final drawdowns are completed.</p> <p>Prepare a letter from the RD to the GAR or POC with instructions for preparing the closeout package.</p>	<p>SF 272, Federal Cash Transaction Report (Smartlink)</p> <p>FEMA Form 20-19, Report of Unobligated Balance of Federal Funds, Draw Downs, and Undrawn Funds</p>
4	<p>Close the program in NEMIS.</p>	<p>N/A</p>
5	<p>Request OS to deobligate remaining obligations and reduce the program allocation amount to zero.</p>	<p>N/A</p>

Copies of the NEMIS report that you will use during closeout are shown on the following pages.







**Program Closeout: FEMA (Continued)**

**Property Inventory Report**

Page 1 of 1

**Property Site Inventory**

Date: 02/24/1998

Disaster Number: 1004  
 FEMA Project Number: 1-R  
 Amendment Number: 0  
 State App ID: 1  
 State: OR  
 Grantee: State Emergency Management Agency  
 Subgrantee: Test this  
 Project Title: Acquisition of One Million Homes

Owner	Owner Tax Id	Flood Ins Policy Nr	Dwelling Type Code	Basement	Flood Zone Code	First Floor Elev	Property Action	BCA	Insurance Policy Provider	Pre-Event FMV	Damage Category	SHPO Cleared
Help Ronda	178478907890	34879	Primary-Mobile	Yes	A	3456	Acquisition	Yes	USAA	\$45,000.00	100%	<input type="checkbox"/>
Damage Address: 555 5 <sup>th</sup> Street Fairfax VA 22030												
Picabo Street	78780978	7907890	Primary-Multifam	No	AO	7899	Acquisition	No	Yiuyu	\$39,999.00	50-99%	<input type="checkbox"/>
Damage Address: 3456 Main Street Apartment 4B Fairfax VA 22030												



### *Checklist for Project Closeout Report*

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The Project Closeout Report requires the identification of the disaster number, project number, grantee, and project type. The checklist below reflects the actual NEMIS screens for the Project Closeout Report.

† † Date State Mitigation Plan approved

† † Date Administrative Plan approved

† † SF 424 submitted

#### **Project Application**

† † Date project received

† † Date project approved

† † Statement of Work approved

† † Last Statement of Work amendment

† † Initial Federal public notice

† † Benefit-cost analysis approved

† † Ratio

† † NEPA

† † Signed CATEX, FONSI, or Final Environmental Assessment

† † Final notice published for FONSI or EA

† † News release



**Checklist for Project Closeout Report (Continued)**

**Project Application (Continued)**

*Environmental Impact Statement Requirements*

- † † Federal Register Notice of Intent to Prepare an EIS 44 CFR
- † † Initiation of the Scoring Process
- † † Environmental Impact Statement Monitoring Program (Mitigation measures to be implemented and monitored as a condition of the Environmental Impact Statement)
- † † Draft Environmental Impact Statement available
- † † Final Environmental Impact Statement available
- † † Signed Environmental Impact Statement
- † † News release
- † † EIS Final Federal public notice
- † † Notified that project was complete
  - † † Project completion verified and/or field inspection of construction project
  - † † Final project performance report received
  - ?? Milestones met
  - ?? Final quarterly reports received ( )Y ( )N
- † † Initial closeout letter to grantee from FEMA requesting closeout of project
- † † State letter to FEMA requesting project closeout (all closeout documents attached)





**Checklist for Project Closeout Report (Continued)**

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**Post-Award Budget Changes Requiring Approval**

- † † Amended budget non-construction projects (approval date)
- † † Cumulative transfers among direct cost categories > 10% or > \$100
- † † Transfer of training funds
- † † Increased budget for construction projects (approval date)
- † † Construction/non-construction funding transfers (approval date)
- † † Extending time period for availability of funds (approval date)
- † † Non-construction contracting out, third-party services or subcontracting (approval date)
- † † Changes in personnel (approval date)

**Acquisition/Relocation Project Closeout\***

- † † Copy of notification that eminent domain would not be used to acquire property
- † † DOB verification for all properties
  - † † Privacy Act release
- † † Hazardous materials checklist
- † † Statement of Assurances
- † † Restrictive covenants on all property deeds -copies in file, signed and dated
- † † Demolition or removal of all structures (completion date)
- † † Relocation assistance determination letters in file

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\*To be maintained at the State and local levels, but not at FEMA.



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**Checklist for Project Closeout Report (Continued)**

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**Acquisition/Relocation Project Closeout\* (Continued)**

- † † Floodplain Management and Protection of Wetland E.O. 11988 and E.O. 11990 decisionmaking process completed and in file
- † † Engineering certificates\*
- † † Property inventory form completed by project monitor
- † † Property inventory form sent to FEMA Headquarters
- † † Final project closeout letter from FEMA to State signed

**Administrative Cost Review for State Management Costs**

- † † Verify staffing level and that time and attendance records exist
- † † Payroll/wages
- † † Supplies
  - † † Supply budget
  - † † Disposition of supplies with aggregate value > \$5,000, FEMA Form 20-18
- † † Equipment
  - † † Inventory of equipment
  - † † Equipment budget
  - † † Lease agreements
  - † † Disposition of equipment
  - † † Did lease end on or before the ending date of award?

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\*To be maintained at the State and local levels, but not at FEMA.





**Checklist for Project Closeout Report (Continued)**

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**Administrative Cost Review for State Management Costs (Continued)**

† † Federally owned property

† † Inventory

† † Disposition report

† † FEMA Form 20-18 in file

† † Were copyrights or patents awarded for any action as a result of this grant?

**Fiscal Requirements**

† † Approved project estimate

† † Federal share (percentage and dollar amount)

† † Non-Federal share (percentage and dollar amount)

† † Date of last budget amendment

† † Total project costs

† † Net eligible

† † Net eligible Federal share (percentage)

† † Allocated project funds

† † Obligated project funds

† † Subgrantee admin. obligation

† † Grantee admin. obligation

† † Total project obligations

† † State management project allocations

† † State management obligations

† † Income generated by project



**Checklist for Project Closeout Report (Continued)**

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**Fiscal Requirements (Continued)**

- † † Total Federal share (percentage)
- † † Total non-Federal share (percentage)
  - † † Final Request for Payment
  - † † Cost adjustment
- † † Cost overrun
- † † Cost underrun
  - † † Cash adjustment
  - † † Unobligated Federal funds
- † † Deobligated Federal funds
  - † † Reconciliation

**Final Financial Reports Approved**

- † † IFMIS
  - † † NEMIS
  - † † Smartlink
  - † † Final project closeout letter from FEMA to State signed
- 







## Section 15: Acronyms





**Contents**

Acronyms..... 15-1

<b>BCR</b>	Benefit-Cost Ratio
<b>CATEX</b>	Categorical Exclusion
<b>CFR</b>	Code of Federal Regulations
<b>CRS</b>	Community Rating System
<b>EA</b>	Environmental Assessment
<b>EIS</b>	Environmental Impact Statement
<b>EMI</b>	Emergency Management Institute
<b>E.O.</b>	Executive Order
<b>FBFM</b>	Flood Boundary Floodway Maps
<b>FEMA</b>	Federal Emergency Management Agency
<b>FHBM</b>	Flood Hazard Boundary Map
<b>FIRM</b>	Flood Insurance Rate Map
<b>FIS</b>	Flood Insurance Study
<b>FMA</b>	Flood Mitigation Assistance Program
<b>FONSI</b>	Finding of No Significant Impact
<b>GAR</b>	Governor's Authorized Representative
<b>HMGP</b>	Hazard Mitigation Grant Program
<b>HMST</b>	Hazard Mitigation Survey Team

## Section 15: Acronyms

<b>ICC</b>	Increased Cost of Compliance coverage
<b>IHMT</b>	Interagency Hazard Mitigation Team
<b>NEPA</b>	National Environmental Policy Act
<b>NEMIS</b>	National Emergency Management Information System
<b>NFIP</b>	National Flood Insurance Program
<b>NHPA</b>	National Historic Preservation Act
<b>NRCS</b>	National Resource Conservation Service
<b>OSHA</b>	Occupational Safety and Health Administration
<b>PNP</b>	Private nonprofit
<b>RD</b>	FEMA Regional Director
<b>SFHA</b>	Special Flood Hazard Area
<b>SHMO</b>	State Hazard Mitigation Officer
<b>URA</b>	Uniform Relocation Act

## Section 16: Definitions





**Contents**

Definitions ..... 16-1



*Administrative Costs*, authorized under the Stafford Act, are costs for preparation of applications, progress reports, audits, etc. These costs are reimbursable based on a percentage of financial assistance received.

*Applicant* means a State agency, local government, Native American tribe, public entity, or eligible private nonprofit organization submitting an application to the grantee for assistance under the Hazard Mitigation Grant Program.

*Application* means the request for Hazard Mitigation Grant Program funding.

*Benefit-cost analysis* means a quantitative procedure that assesses the desirability of a hazard mitigation measure by taking a long-term view of avoided future damages as compared to the cost of a project. The outcome of the analysis is a *benefit-cost ratio*, which demonstrates whether the net present value of benefits exceeds the net present value of costs.

*44 CFR Part 9, Floodplain Management and Protection of Wetlands* are regulations to implement and enforce Executive Order 11988, Floodplain Management, and Executive Order 11990, Protection of Wetlands.

*44 CFR Part 10, Environmental Considerations* are regulations for compliance with the National Environmental Policy Act.

*44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments* establishes administrative requirements for Federal grants and subgrants.

*44 CFR Part 14, Administration of Grants: Audits of State and Local Governments* are requirements for non-Federal audits of recipients of financial assistance from FEMA.

*44 CFR 206, Federal Disaster Assistance for Disasters Declared On or After November 23, 1988*, are regulations for implementing the Stafford Act.

*Comprehensive Building Code* means an adopted law or ordinance whose purpose is to provide minimum standards to safeguard life or limb, health, property, and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, locations, and maintenance of all buildings and structures within a jurisdiction. The Uniform Building Code, National Building Code, Standard Building Code, Council of American Building Officials One and Two Family Dwelling Code, and the International Building Code are all considered to meet this criteria.

*Cost-effectiveness* is determined by a systematic quantitative method for comparing the costs of alternative means of achieving the same stream of benefits or a given objective. The benefits in the context of hazard mitigation are avoided future damages and losses. Cost-effectiveness is generally determined by performing a benefit-cost analysis.

*Environmental Assessment* is the document that is prepared when a project does not qualify as a categorical exclusion and serves to determine whether an Environmental Impact Statement is needed.

*Environmental Impact Statement* is the document that is prepared for all actions significantly affecting the environment.

## Section 16: Definitions

*Environmental Justice* means that Federal agencies are required to protect the environment by conducting reviews that include evaluation of the human environment (e.g., historic/archeological resource, land use, demographics, religion, politics, justice, economics, housing, infrastructure, social services, recreation, and aesthetics), the physical environment (e.g., geology, soils, climate, and hydrology), and the biological environment (e.g., plants, microbes, fish, and wildlife).

*Environmental Officer* is a FEMA-appointed staff who serves as a regional resource to State personnel and ensures that environmental justice is served.

*Executive Orders 11988 and 11990* are the requirements to avoid direct or indirect support of floodplain development and to minimize harm to floodplains and wetlands. Federal decisionmakers are obligated to comply with these orders, accomplished through an eight-step decision-making process.

*Executive Order 12699* requires that new construction of Federal buildings comply with appropriate seismic design and construction standards.

*FEMA-State Agreement* states the understandings, commitments, and conditions for assistance under which FEMA disaster assistance shall be provided. This agreement imposes binding obligations on FEMA, States, and their local governments in the form of conditions for assistance which are legally enforceable.

*Finding of No Significant Impact* is a determination that an action will have no significant impact on the environment.

*Flood Mitigation Assistance program (FMA)* is a Federal grant program through which FEMA provides financial assistance to States and communities for flood mitigation planning and activities that reduce the risk of flood damage to structures insurable under the National Flood Insurance Program (NFIP).

*Governor's Authorized Representative* is the individual, designated by the Governor, who serves as the grant administrator for all funds provided under the Hazard Mitigation Grant Program.

*Grant* means an award of financial assistance. The total grant award shall not exceed 15 percent of the total estimated Federal assistance (excluding any associated administrative costs) provided under Sections 403, 406, 407, 408, 410, 411, 416, and 701 of the Stafford Act.

*Grantee* means the government to which a grant is awarded and which is accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document. For purposes of this program, except as noted in 44 CFR 206.436(g)(1), the State is the grantee.

*Hazard Mitigation Grant Program*, as authorized under Section 404 of the Stafford Act, provides funding for hazard mitigation measures that are cost effective and complement existing post-disaster mitigation programs and activities by providing funding for beneficial mitigation measures that are not funded through other programs.

*Hazard Mitigation Plan* is the documentation of a State or local government's evaluation of natural hazards and the strategy to mitigate such hazards. States and local governments are required by Section 409 of the Stafford Act to undergo the mitigation planning process as a condition of receiving Federal disaster assistance.

*Hazard Mitigation Survey Team* means the FEMA/State/local survey team that is activated following disasters to identify immediate mitigation opportunities and issues to be addressed in the State Hazard Mitigation Plan. The Hazard Mitigation Survey Team may include representatives of other Federal agencies, as appropriate.

*Hazard Mitigation Survey Team Report* means the report developed by the Hazard Mitigation Survey Team. It is similar in format to the Interagency Hazard Mitigation Team Report. The report identifies mitigation measures for implementation and recommends issues to be addressed in the state Hazard Mitigation Plan, including those measure recommended for funding under the HMGP.

*Increased Cost of Compliance (ICC)* coverage benefits under the National Flood Insurance Program may be used for elevation and/or acquisition location costs. The coverage is included under all regular NFIP policies issued or renewed after June 1, 1997.

*Individual Assistance* means the supplementary Federal assistance provided under the Stafford Act to individuals and families adversely affected by a major disaster or emergency.

*Interagency Hazard Mitigation Team* is the mitigation team that is activated following flood-related disasters pursuant to the Office of Management and Budget directive on Nonstructural Flood Protection measures and Flood Disaster Recovery, and the subsequent December 15, 1980, Interagency Agreement for Nonstructural Damage Reduction.

*Interagency Hazard Mitigation Team Report* means the report that is developed following any Presidentially declared flood disaster by an interagency, intergovernmental, and interdisciplinary team. The report identifies post-flood mitigation opportunities and common post-flood recovery policies. Ideally, the report should be completed within 15 days following the disaster.

*Management Costs* are intended to include costs of managing or administering the HMGP that are not covered by the percentage allowance and generally include regular time salaries and approved equipment purchases.

*Measure* means any mitigation measure, project, or action proposed to reduce risk of future damage, hardship, loss, or suffering from disasters. The term “measure” is used interchangeably with the term “project” in this program.

*National Environmental Policy Act* requires that actions affecting the environment comply with specific policies and procedures.

*National Flood Insurance Program* provides the availability of flood insurance in exchange for the adoption of a minimum local floodplain management ordinance that regulates new and substantially improved development in identified flood hazard areas.

*Non-Federal funds* means financial resources provided by sources other than the Federal Government. The term does not included funds provided to a State or local government through a Federal grant unless the authorizing statute for that grant explicitly allows the funds to be used as a match for other Federal grants.

*Project* means any mitigation measure, project, or action proposed to reduce risk of future damage, hardship, loss, or suffering from disasters. The term “project” is used interchangeably with the term “measure” in this program.

*Project worksheet* is a report of damages caused by a major disaster or emergency including location, description, and estimate of required work that may be eligible for FEMA’s Public Assistance program.

*Public Assistance* is Federal financial assistance provided to State and local governments or to eligible private non-profit organizations for work that must be done, through repairs or replacement, to restore an eligible facility on the basis of its pre-disaster design and in conformity with current applicable codes, specification, and standards.

## Section 16: Definitions

*Section 404 of the Stafford Act* authorizes the Hazard Mitigation Grant Program, which provides funding for cost-effective hazard mitigation measures.

*Section 406 of the Stafford Act* authorizes Public Assistance grants to repair, restore, or replace damaged facilities belonging to public and private nonprofit entities, and other associated expenses.

*Section 409 of the Stafford Act* authorizes repair of facilities to applicable codes and standards. It also requires State and local governments to prepare and implement Hazard Mitigation Plans. In these plans, State and local governments evaluate the natural hazards in the designated disaster area and identify appropriate actions to mitigate such hazards. This hazard mitigation planning is both required under Section 409 and a prerequisite for eligibility for Section 404 funds.

*Standard Form 424* is the Application for Federal Assistance to be included as part of the State's overall Hazard Mitigation Application.

*State Administrative Plan for the Hazard Mitigation Grant Program* means the plan developed by the State to describe the procedures for administration of the Hazard Mitigation Grant Program.

*State Hazard Mitigation Officer* is the representative of a State government who serves on the Hazard Mitigation Survey Team and Interagency Hazard Mitigation Team, and who is the primary point of contact with FEMA, other Federal agencies, and local units of government in the planning and implementation of post-disaster mitigation activities.

*State Hazard Mitigation Team* is composed of key State agency representatives, local units of government, and other public or private sector bodies or agencies. The purpose of the State Hazard Mitigation Team is to evaluate hazards, identify strategies, coordinate resources, and implement measures that will reduce the vulnerability of people and property to damage from hazards.

*State management costs* are the reimbursable salaries of State personnel and necessary equipment responsible for managing the Hazard Mitigation Grant Program.

*Subgrant* means an award of financial assistance under a grant by a grantee to an eligible subgrantee.

*Subgrantee* means the Government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided. Subgrantees can be a State agency, local government, private nonprofit organization, or Native American tribe as outlined in 44 CFR 206.434.

*Subpart M, Hazard Mitigation Planning* is the section of 44 CFR 206 that prescribes the actions and procedures for implementing Section 409 of the Stafford Act.

*Subpart N, Hazard Mitigation Grant Program*, is the section of 44 CFR 206 that governs the award of hazard mitigation grants made under provisions of Section 404 of the Stafford Act.

*Substantial Damage* is defined as disaster-induced damages that total at least 50 percent of the pre-event fair market value of the property.

*406 Mitigation* or Public Assistance assists in the funding for repair of damaged facilities and infrastructures with eligible applicants. Under this program, all repairs must be made to applicable codes and standards, and damaged facilities can be improved for mitigation purposes if technically feasible, cost-effective and environmentally sound.