



**Department of Public Safety
Division of Homeland Security and Emergency Management
Public Assistance Program**

DR - 4414



Applicant's Guide

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Acronyms

CEF.....	Cost Estimating Format
CFR.....	Code of Federal Regulations
CMP.....	Corrugated Metal Pipe
FAQ	Frequently Asked Questions
FEMA	Federal Emergency Management Agency
HMP.....	Hazard Mitigation Proposal
HSEM.....	Homeland Security and Emergency Management
NEPA	National Environmental Policy Act
NFIP.....	National Flood Insurance Program
NHPA.....	National Historic Preservation Act
NRCS	Natural Resources Conservation Service
OFA	Other Federal Agency
PA.....	Public Assistance
PDA	Preliminary Damage Assessment
PW.....	Project Worksheet
SFHA.....	Special Flood Hazard Area
USACE.....	United States Army Corps of Engineers
USC	United States Code

The Application Process

Step 1

Preliminary Damage Assessment (PDA)

The Preliminary Damage Assessment (PDA) is a joint assessment used to determine the magnitude and impact of an event's damage. A FEMA/State team will visit local applicants and view their damage to assess the scope of damage and estimate repair costs. The State uses the results of the PDA to determine if the situation is beyond the combined capabilities of the State and local resources and to verify the need for supplemental Federal assistance. The PDA also identifies any unmet needs that require immediate attention.

As the applicant (Sub-grantee), you will show the federal/state team the damage sites. Be sure to bring to their attention any environmental or historic issues that may be present, along with any known insurance coverage.

Be sure to include in the local damage assessments the costs for:

- Force Account Labor,
- Force Account Equipment,
- Rented Equipment,
- Materials, and
- Contract Fees

Presidential Disaster Declaration

Once a disaster has occurred, the state will evaluate the recovery capabilities of the state and local governments. If it is determined that the damage is beyond their recovery capability, the governor will send a letter requesting a declaration to FEMA. FEMA makes the decision whether or not to declare a major disaster or emergency.

After a presidential declaration has been made, FEMA will designate the area eligible for assistance and announce the types of assistance available. FEMA provides supplemental assistance for state and local government recovery expenses. The federal share will always be at least 75 percent of the eligible costs.

State Disaster Declaration

If the results of the preliminary damage assessment do not meet the level in which federal assistance is needed, the County can request a State Disaster Declaration from the Governor. HSEM will compile documents received from the impacted counties and submit them to the Governor for consideration. If the Governor determines that state disaster assistance is needed, HSEM will begin the reimbursement process.

HSEM provides reimbursement assistance to state and local governments. Reimbursement will be 75% of the project costs for eligible work to applicants.

Step 2

Applicants' Briefing by Grantee (State)

The Applicants' Briefing is a meeting conducted by the state to inform prospective applicants of available assistance and eligibility requirements for obtaining disaster

assistance under the declared event. The meeting is held as soon as practicable following a declaration.

During the briefing, the state will present the incident period and a description of the declared event. Applicant, work, and cost eligibility will be reviewed and the project formulation process will be introduced. The state will also discuss funding options, record keeping and documentation requirements, and special considerations issues. Special considerations is a term used to refer to matters that require specialized attention. These include insurance, historic, environmental, and hazard mitigation issues. FEMA and the state are required to ensure that all funding actions are in compliance with current state and federal laws, regulations, and agency policy. You can assist FEMA and the state in resolving special considerations issues in order to expedite disaster recovery funding. (Special considerations will be discussed further in Step 3.)

Applicants will prepare and submit their Requests for Public Assistance form during the briefing.

Submission of Request for Public Assistance by Applicant

The Request for Public Assistance is the official application form used to apply for disaster assistance. It is a simple, short form with self-contained instructions. "The Request" (FEMA form 90-49) asks for general information, which identifies the applicant and starts the grant process.

Dun & Bradstreet keeps track of more than 70 million businesses and government entities through its Data Universal Numbering System (DUNS). The federal government adopted a new policy that requires all organizations to provide a DUNS number as part of their grant applications. Applicants need to be prepared to provide the state with their "DUNS" number.

There is no fee for registering for a DUNS number. Government agencies may register by phone or online, however, online registrations may take up to 30 days, so it is important that you begin the process immediately if you do not have a number.

To obtain a DUNS number, call 1-866-705-5711 or online at

<http://fedgov.dnb.com/webform>

Exploratory Call (Federal Declaration Only)

The Public Assistance (PA) staff are customer service representatives assigned to work with you from declaration to funding approval. The PA staff member is trained in Public Assistance policies and procedures and will guide you through the steps necessary to receive funding. This PA staff member will be the applicant's single point of contact throughout the entire process.

Recovery Scoping Meeting

The first meeting between the applicant, the PA staff and Applicant Liaison is called the Recovery Scoping Meeting. A Recovery Scoping Meeting is held with each applicant to assess the applicant's individual needs, discuss disaster related damage, and set forth a plan of action for repair of the applicant's facilities. The liaison will provide state-specific details on documentation and reporting requirements.

When your PA staff member contacts you to schedule a Recovery Scoping Meeting, make sure to discuss who else should attend. It may be helpful to have your risk manager, who is familiar with your insurance coverage, record keeper, public works officials, and others with working knowledge of the repairs needed, in attendance.

After reviewing your list of damages, the PA s will help you determine what technical assistance is needed to prepare your sub-grant application (Project Worksheets (PW)). This meeting is also the place to bring any questions or concerns you may have about how the Public Assistance process works or what might be expected of you. By the end of the Recovery Scoping Meeting, you should have received the information you need to proceed with disaster recovery.

Insurance issues are often disaster and site specific and can be complicated. All insurance issues should be discussed at the Recovery Scoping Meeting or as soon as possible, to allow for timely resolution.

You are encouraged to participate fully in managing your repair projects. Request clarification of anything you do not understand and bring forward any issues that may concern you. Full discussion and regular interaction with your Liaison will help to resolve differences as they arise and expedite approval of your projects.

You are responsible for maintaining records of completed work and work to be completed. Your PA staff member will provide a detailed list of required records and can recommend ways of organizing them.

Eligible Work

Disaster recovery work performed on an eligible facility must:

- Be required as the result of a major disaster event,
- Be located within a designated disaster area,
- Be the legal responsibility of an eligible applicant

FEMA will not provide assistance when another Federal agency has specific authority to restore facilities damaged by a major disaster.

No assistance will be provided to an applicant for damages caused by its own negligence through failure to take reasonable protective measures.

Necessary assurances shall be provided to document compliance with special requirements including, but not limited to, floodplain management, environmental assessments, hazard mitigation, protection of wetlands, and insurance.

Eligible Costs

Costs that can be directly tied to the performance of eligible work are eligible. Such costs must be:

- Reasonable and necessary to accomplish the work;
- Compliant with federal, state, and local requirements for procurement; and
- reduced by all applicable credits, such as insurance proceeds and salvage values.

A reasonable cost is a cost that is both fair and equitable for the type of work being performed. For example: If the going rental rate for a backhoe is \$25/hour, it would not be reasonable to charge \$75/hour for a backhoe.

Consideration should be given to whether the cost is ordinary and necessary for the subject facility and type of work and whether the individuals acted with prudence in conducting

work. In addition, normal procedures must not be altered because of the potential for reimbursement from Federal funds.

Reasonable costs can be established through:

- The use of historical documentation for similar work;
- Average costs for similar work in the area;
- published unit costs from national cost estimating databases; and
- FEMA cost codes.

Applicants must adhere to all Federal, State, and local procurement requirements. An applicant may not receive funding from two sources to repair disaster damage. Such a duplication of benefits is prohibited by the Stafford Act.

A State disaster assistance program is not considered a duplication of Federal funding. Donated grants from banks, private organizations, trust funds, and contingency funds must be evaluated individually to determine whether they constitute a duplication of benefits.

The eligible cost criteria referenced above apply to all direct costs, including labor, materials, equipment, and contracts awarded for the performance of eligible work.

All contract procurement should be conducted in a manner providing full and open competition in compliance with State and local procurement regulations. Contracts will normally be competitively bid unless one of the following instances applies:

- The item is available only from a single source;
- The awarding agency authorizes noncompetitive proposals;
- After solicitation of a number of sources, competition is determined inadequate; or
- The contract will eliminate or reduce an immediate threat to life, public health or safety.

Categories of Work

There are two types of work eligible for reimbursement through a Public Assistance Grant: emergency work and permanent work. Each of these work types are further divided into categories based on the action being performed for emergency work, or the type of facility repaired for permanent work. The categories of work are often identified by a single letter.

The categories are:

Emergency Work

- A Debris Removal
- B Emergency Protective Measures

Permanent Work

- C Road and Bridges
- D Water Control Facilities
- E Buildings, Contents, and Equipment
- F Utilities
- G Parks, Recreational, and Other

Eligible Time Frames

The initial deadlines are established from the date of declaration according to the type of work performed:

- Debris removal - 6 months
- Emergency protective measures - 6 months
- Permanent repair work - 18 months

Time extensions may be granted for extenuating circumstances.

For debris removal and emergency work, an additional six months may be granted by the state. For permanent restoration work, an additional 30 months may be granted by the state. Requests for extensions beyond the deadlines listed above may be submitted by the state to FEMA. FEMA has authority to grant extensions appropriate to the situation.

You will only be reimbursed for those costs incurred up to the latest approved completion date for a particular project. The project must be completed for you to retain any money already funded.

Category A: Debris Removal

Debris Removal is the clearance, removal, and/or disposal of items such as trees, woody debris, sand, mud, silt, gravel, building components, wreckage, vehicles, and personal property.

For debris removal to be eligible, the work must be necessary to:

- Eliminate an immediate threat to lives, public health and safety
- Eliminate immediate threats of significant damage to improved public or private property
- Ensure the economic recovery of the affected community to the benefit of the community-at-large
- Mitigate the risk to life and property by removing substantially damaged structures and associated appurtenances as needed to convert property acquired through a FEMA hazard mitigation program to uses compatible with open space, recreation, or wetlands management practices

Examples of eligible debris removal activities include:

- Debris removal from a street or highway to allow the safe passage of emergency vehicles
- Debris removal from public property to eliminate health and safety hazards

Examples of ineligible debris removal activities include:

- Removal of debris, such as tree limbs and trunks, from natural (unimproved) wilderness areas
- Removal of pre-disaster sediment from engineered channels
- Removal of debris from a natural channel unless the debris poses an immediate threat of flooding to improved property

Debris removal from private property is generally not eligible because it is the responsibility of the individual property owner. If property owners move the disaster-related debris to a public right-of-way, the local government may be reimbursed for curbside pickup and disposal for a limited period of time. If the debris on private business and residential property is so widespread that public health, safety, or the economic recovery of the community is threatened, debris removal might be funded from private property, but it must be approved in advance.

Category B: Emergency Protective Measures

Emergency protective measures are actions taken by Applicants before, during, and after a disaster to save lives, protect public health and safety, and prevent damage to improved public and private property. Emergency communications, emergency access and emergency public transportation costs may also be eligible.

Examples of eligible emergency protective measures are:

- Warning devices (barricades, signs, and announcements)
- Search and rescue
- Security forces (police and guards)
- Construction of temporary levees
 - Provision of shelters or emergency care
 - Sandbagging
 - Bracing/shoring damaged structures
 - Provision of food, water, ice and other essential needs
 - Emergency repairs
 - Emergency demolition
 - Removal of health and safety hazards

Category C: Roads and Bridges

Roads (paved, gravel, and dirt) are eligible for permanent repair or replacement under the Public Assistance Program. Eligible work includes repair to surfaces, bases, shoulders, ditches, culverts, low water crossings, and other features, such as guardrails. Damage to the road must be disaster-related to be eligible for repair. Repairs necessary as the result of normal deterioration, such as "alligator cracking," are not eligible because it is pre-disaster damage.

Embankment erosion and washouts often affect roads. Earthwork in the vicinity of a road may be eligible, but only if the work is necessary to ensure the structural integrity of the road.

Road or bridge closures resulting from a disaster may increase traffic loads on nearby roads. Damage to a detour route may be funded for repair. Restoration of a damaged road may include upgrades necessary to meet current codes and standards, as defined by the State or local department of highways. Typical standards affect lane width, loading design, and construction materials.

Bridges are eligible for repair or replacement under the Public Assistance Program. Eligible work includes repairs to decking, guardrails, girders, pavement, abutments, piers, slope protection, and approaches. Only repairs of disaster-related damage are eligible. In some cases, pre-disaster bridge inspection reports will be used to determine if damage to a bridge was present before the disaster.

Work to repair scour or erosion damage to the channel and stream banks is eligible if the repair is necessary to ensure the structural integrity of the bridge. Earthwork that is not related to the structural integrity of the bridge is not eligible.

Permanent restoration of a road or bridge that service United States Army Corps of Engineers (USACE) or the Natural Resources Conservation Service (NRCS) levees and dams, private and commercial roads, and homeowners' association roads, or roads that fall under the authority of the Federal Highway Administration is not eligible for public assistance.

Category D: Water Control Facilities

Water control facilities include dams and reservoirs, levees, lined and unlined engineered drainage channels, shore protective devices, irrigation facilities, and pumping facilities.

Restoration of the carrying capacity of engineered channels and debris basins may be eligible, but maintenance records or surveys must be produced to show the pre-disaster capacity of these facilities. The pre-disaster level of debris in the channel or basin is of particular importance to determine the amount of newly deposited disaster-related debris.

Such a facility must also have had a regular clearance schedule to be considered an actively used and maintained facility. Removal of debris that poses an immediate threat of clogging or damaging intake or adjacent structures may be eligible.

The USACE and NRCS have primary authority for repair of flood control works, whether constructed with Federal or non-Federal funds, as well as authority over federally funded shore protective devices. Permanent repairs to these facilities are not eligible through the PA Program.

Category E: Buildings and Equipment

Buildings, including contents such as furnishings and interior systems such as electrical work, are eligible for repair or replacement under the Public Assistance Program. The replacement of pre-disaster quantities of consumable supplies and inventory are also eligible.

The amount of insurance proceeds, actual or anticipated, will be deducted before providing funds for restoration of a facility. Public assistance grants will be reduced by the maximum amount of insurance proceeds an Applicant would receive for an insurable building located in an identified floodplain that is not covered by Federal flood insurance.

Upgrades that are required by certain codes and standards may be eligible. Examples include roof bracing installed following a hurricane, seismic upgrades to mitigate damage from earthquakes, and upgrades to meet standards regarding use by the disabled. Upgrades are limited to damaged elements only.

If a structure must be replaced, the new facility must comply with all applicable codes and standards regardless of the level of funding. Public Assistance funding reimburses for a building with the same capacity as the original structure. However, if the standard for space per occupant has changed since the original structure was built, funding may be available for an increase in size. A Federal or State agency or statute must mandate the increase in space.

Category F: Utilities

Typical Utilities include:

- Water treatment plants and delivery systems
- Power generation and distribution facilities, including generators, substations, and power lines
- Sewage collection systems and treatment plants
- Telecommunications

Random surveys to look for damage, such as TV inspection of sewer lines are not reimbursable. If disaster-related damage is evident, inspections to determine the extent of the damage and method of repair may be reimbursable.

Public Assistance does not provide funds for increased operating expenses or lost revenue resulting from a disaster. However, the cost of establishing temporary, emergency services in the event of a utility shut-down may be eligible.

Category G: Parks, Recreational Facilities, and Other Items

Eligible publicly-owned facilities in this category include: playground equipment, swimming pools, bath houses, tennis courts, boat docks, piers, picnic tables, and golf courses.

Other types of facilities, such as roads, buildings and utilities, that are located in parks and recreational areas are also eligible and are subject to the eligibility criteria for Categories C, D, E, and F.

Natural features are not eligible facilities unless they are improved and maintained. Specific criteria apply to beaches, trees, and ground cover.

Beaches - Emergency placement of sand on a natural or engineered beach may be eligible when necessary to protect improved property from an immediate threat. Protection may be to a 5-year storm profile or to its pre-storm profile, whichever is less.

A beach is considered eligible for permanent repair if it is an improved beach and has been routinely maintained prior to the disaster. A beach is considered to be an "improved beach" if the following criteria apply:

- The beach was constructed by the placement of sand to a designed elevation, width, grain size, and slope; and
- The beach has been maintained in accordance with a maintenance program involving the periodic re-nourishment of sand at least every 5 years.

Public Assistance will request the following from an applicant before approving assistance for permanent restoration of a beach:

- Design documents and specifications, including analysis of grain size;
- "as-built" plans;
- Documentation of regular maintenance or nourishment of the beach; and
- Pre- and post-storm cross sections of the beach.

Permanent restoration of sand on natural beaches is not eligible.

Trees and Ground Cover - The replacement of trees, shrubs, and other ground cover is not eligible. Grass and sod are eligible only when necessary to stabilize slopes and minimize sediment runoff. This restriction does not affect removal of tree debris or the removal of trees as an emergency protective measure.

Improved Project

An improved project is any project the applicant chooses to make additional improvements to the facility while making disaster repairs. Applicants performing restoration work on a damaged facility may use the opportunity to make additional improvements while still restoring the facility to its pre-disaster design.

An improved project must be approved by the grantee prior to construction. Any project that results in a significant change from the pre-disaster configuration (that is, different location, footprint, function, or size) must be reviewed by FEMA prior to construction to ensure completion of the appropriate environmental and/or historical review. Grantee approval must be held pending such review.

Federal funding for improved projects is limited to the federal share of the estimated costs and to the time limits that would be associated with repairing the damaged facility to its pre-disaster design. Justified time extensions may be approved. The balance of the funds is a nonfederal responsibility. Funds to construct the improved project can be combined with a grant from another federal agency; however, federal grants cannot be used to meet the grantee or local cost-share requirement.

Alternate Project (Federal Declaration Only)

An Applicant may determine that the public welfare would not be best served by restoring a damaged facility or its function. This usually occurs when the service provided by the facility is no longer needed. The Applicant may apply to FEMA to use the eligible funds for an Alternate Project.

Possible alternate projects include:

- Repair or expansion of other public facilities
- Construction of new public facilities
- Purchase of capital equipment
- Funding of hazard mitigation measures in the area affected by the disaster

The alternate project option may be proposed only for permanent restoration projects located within the declared disaster area. All requests for alternate projects must be made within 12 months of the Recovery Scoping Meeting and approved by FEMA prior to construction.

Alternate projects are eligible for 90 percent of the approved Federal share of the estimated eligible costs associated with repairing the damaged facility to its pre-disaster design, or the actual costs of completing the alternate project, whichever is less.

The proposed alternate project may not be located in the regulatory floodway and will have to be insured if located in the 100-year floodplain. Funding may not be used for operating costs or to meet the State or local share requirement on other public assistance projects or projects that utilize other Federal grants. 406 Hazard Mitigation funds cannot be applied to an alternate project. An environmental assessment will be performed for all alternate projects.

Step 3

Project Formulation

Project formulation is the process of documenting the damage to the facility, identifying the eligible scope of work and estimating the costs associated with that scope of work for each of the applicant's projects.

Project formulation allows applicants to consolidate multiple work items into single projects in order to expedite approval and funding. More than one damage site may be included in a project.

All projects are documented on Project Worksheets (PWs). These PWs contain the information necessary for Public Assistance to approve the scope of work and itemized cost estimate prior to funding.

The exact location of the damaged facility must be described. This information should be specific enough to enable field personnel to easily locate the facility if a site visit is necessary. Providing latitude/longitude coordinates will facilitate locating and mapping of your projects and should be included, whenever possible.

The Project Description describes the facility, location, its pre-disaster function, and the disaster-related damage. The scope of work is developed describing in detail the work necessary to return the facility to its pre-disaster design. For accurate and itemized damage description and scope of work you will need to:

- Describe the pre-disaster facility, function and location, including Latitude/Longitude for permanent work.
- Describe the disaster-related damage to the facility.
- Describe the repairs necessary to repair the facility to its pre-disaster design (scope of work). Describe any change in the pre-disaster design of the facility that is required.
- Describe any known environmental or historic issues or concerns related to the repair. Environmental and historic issues are concerns included in a grouping referred to as Special Considerations.
- Describe any damage that could be repaired in such a manner as to reduce the risk of the same damage from happening again. This type of preventive repair is known as Hazard Mitigation.

Cost Estimating (Federal Declarations Only)

When an Applicant requests public assistance for disaster-related work, grant amounts are based on actual costs if the work was completed at the time of the request. Work that has not been completed at the time of the request will be estimated.

These estimates are prepared using unit costs. The project is broken down into elements based on the quantities of material that must be used to complete the work. For example, a culvert repair may be broken down into linear feet of pipe, cubic yards of fill, and square feet of pavement. The estimate for each of these items is a cost per unit that includes all labor, equipment, and material necessary to install that item (referred to as an "in-place" cost).

FEMA has developed a list of unit costs for disaster repairs that may be used for estimating total costs. Unit cost data developed by State or local governments may be used. Commercially available cost-estimating guides or data from local vendors and contractors may also be used.

For large or complex projects, it may be necessary for the Applicant to prepare a detailed design of the restoration work before a viable cost estimate can be developed. A grant for engineering and design services is approved first. Once the design is complete, a cost estimate for the work is prepared or actual bids for the work may be used as the basis for the grant.

Costs for managing a project may also be included if the project is sufficiently large or complex. Most small projects do not require project management above the level of a first-level supervisor.

The Cost Estimating Format (CEF) is a tool that may be used to estimate the cost of large permanent work projects. The CEF is a forward-pricing methodology developed by FEMA to accurately estimate total project costs based on construction industry standards. Eligible costs are reimbursed for actual incurred expenses and final costs are reconciled based upon the under run or overrun realized. Use of the CEF will minimize the possibility of significant variances and allow you to budget project costs with greater confidence.

The time and materials estimate for force account work method may be used on projects that will be completed by your employees, using your own (or rented) equipment and material purchased by you (or from your stock on hand). This method breaks costs down into labor, equipment and materials. Costs must be documented by payroll information, equipment logs or usage records, and other records, such as materials invoices, receipts, payment vouchers, warrants, or work orders.

FEMA has published a listing of equipment rates based on national data for your use. These rates, or the applicant's established rates should be used to compute applicant-owned equipment costs. A listing of FEMA's equipment rates is included with the FEMA cost code listing. Remember, that FEMA equipment rates do not include operator costs, so these costs will have to be computed separately. FEMA rates do not apply to contracted or rental equipment, unless the equipment is rented from another public entity.

Labor hours should be carefully matched with equipment use hours. Remember that equipment not in use is not an eligible expense even if it is on-site.

Competitively bid contracts are used to summarize costs for work that the applicant has obtained from an outside source. If work has not yet begun on a project, but a contract has been bid or let for the eligible work, then the contract price can be used.

General types of contracts include:

- Unit price -Contract for work done on an itemized basis with prices broken out per unit.
- Lump sum- Contract for work within a prescribed boundary with a clearly defined scope of work and a total price.
- Cost plus fixed fee-Either a lump sum or unit price contract with a fixed contractor fee added into the price.

Time and materials contracts should be avoided but may be allowed for work that is necessary immediately after the disaster has occurred. You must carefully document contractor expenses. A "not to exceed" provision also should be included in the contract.

Time-and-material contracts for debris should be limited to a maximum of 70 hours of actual debris clearance work and should be used only after all available local, tribal and state government equipment has been committed. These contracts should be terminated once the designated not-to exceed number of hours is reached. They may be extended for a short period when absolutely necessary until another contract has been prepared and executed.

Cost plus a percentage of cost contracts, percentage of construction cost contracts, and contingency contracts are not eligible.

Manage projects by:

- Designating a person to coordinate the accumulation of records.
- Establishing a file for each project where work has been or will be performed. For projects that include more than one physical site, records showing specific costs and scopes of work should be maintained by site to expedite insurance and other Special Considerations reviews.
- Maintaining accurate disbursement and accounting records to document the work performed and the costs incurred.

Keeping accurate documentation will make validation quicker and easier by providing information that the State and FEMA will need to see. A set of summary forms has been developed to assist you in organizing your project documentation.

Special Considerations

Special Considerations is a term used by Public Assistance to refer to matters that require specialized attention. These include insurance, historic, environmental, and hazard mitigation issues. FEMA and the state are required to ensure that all funding actions are in compliance with current state and federal laws, regulations, and agency policy. You can

assist FEMA and the state in resolving special consideration issues in order to expedite disaster recovery funding.

It is the applicant's responsibility to note the existence of special considerations on the PW for each project. The PA staff member has the responsibility to ensure that all potential special consideration issues are identified. A standard set of questions has been developed to assist with identifying these issues. The questions are intended to highlight elements of the applicant's projects that could trigger a special considerations review.

A "Yes" response to any of the Special Considerations Questions is an indication that requirements of one or more of these laws might be triggered. If your project is near or affects a stream, a wetland or other body of water, requires the destruction of an area of natural vegetation, or is in or near a special resource area, like a wildlife refuge, it is likely that you will need input from someone familiar with these laws.

Insurance

The amount of insurance proceeds is deducted from the eligible costs. This eliminates duplication of benefits for the same loss. This applies to both general property insurance and flood insurance.

FEMA Insurance Specialist will review the insurance policy and damaged facility to determine the anticipated insurance proceeds if actual proceeds is unknown.

The Applicant must obtain and maintain insurance sufficient to protect against future loss to such property from the same peril for the life of the project. The type (flood, earthquake, wind, comprehensive, etc.) of insurance and the amount of insurance required is directly related to the disaster damage. The insurance coverage must be maintained for the useful life of the repairs. If the insurance is not maintained, the facility will receive no future assistance. Damages less than \$5,000 do not require insurance.

For flood damage, the reduction of eligible costs is dependent on whether or not the damage is located within the Special Flood Hazard Area (SFHA). The SFHA is a comprehensive term established by the National Flood Insurance Program (NFIP) that includes areas of the 100-year floodplain, a floodway or a coastal high hazard area. If the damage occurs outside of the designated SFHA, the reduction is the same as described for general property insurance.

If the damage is within the SFHA, and the Applicant has flood insurance but no NFIP coverage, then FEMA will compare the Applicant's flood insurance adjustment to what they could have obtained through NFIP coverage. Based on the two adjustments, FEMA will use the highest adjustment to deduct from the eligible costs.

The applicant must report any entitlement to insurance proceeds to your PA staff member. You must submit copies of all insurance documentation including the insurance policy with all data, declarations, endorsements, exclusions, schedules and other attachments or amendments. Any settlement documentation including copies of the claim, proof of loss, statement of loss, and any other documentation describing the covered items and insurance proceeds available for those items must be submitted. This documentation will be used to determine your level of project funding.

It is important to begin the claims process with your insurance company as soon as possible and to keep the PA staff member informed of any problems.

Insurance may be purchased for a variety of valuable properties; generally the following are insurable:

- Buildings
- Contents of buildings
- Vehicles
- Equipment

Floodplain Management

There are specific requirements for facilities located within the Special Flood Hazard Area (SFHA). These requirements are not technically insurance issues but are related to the National Flood Insurance Program (NFIP). These requirements apply to flood damaged buildings and the contents of buildings located in the 100-year floodplain.

If your community is not participating in the NFIP, Public Assistance funds will not be provided for damages to your buildings, or the contents of such buildings, that are located within the 100-year floodplain. Funding will not be available for damages within the floodplain if you have been sanctioned by NFIP (i.e., if your community was suspended from the program by NFIP).

406 Hazard Mitigation

406 Hazard Mitigation is a funding source for cost effective measures that would reduce or eliminate the threat of future damage to a facility damaged during the disaster. The measures must apply only to the damaged elements of a facility.

406 mitigation measures are considered part of the total eligible cost of repair, restoration, or reconstruction. They are limited to measures of permanent work, and the Applicant may not apply mitigation funding to alternate projects or improved projects if a new replacement facility is involved. Upgrades required to meet applicable codes and standards are not "mitigation measures" because these measures are part of eligible restoration work.

Hazard mitigation measures are identified by preparing a Hazard Mitigation Proposal (HMP). The HMP is simply a written description and cost of what it will take to repair this damage in such a way as to prevent this damage from happening again. FEMA, the state, or the applicant may identify and propose hazard mitigation measures on any project. The HMP is submitted with the Project Worksheet and describes in detail the additional work and cost associated with completing the mitigation measure.

Hazard mitigation opportunities usually present themselves at sites where damages are repetitive and a simple repair will solve the problem. Some mitigation opportunities are technically complex and must be thoroughly documented for feasibility.

An important concern is the effect the mitigation will have, for example, downstream, if the mitigation deals with drainage issues. The Applicant will be informed when the HMP is approved. When approved, you are required to complete the hazard mitigation measure while completing the repair documented on the Project Worksheet.

Environmental Resources

There are federal, state and local laws that require us to preserve and protect environmental resources. Any project that receives federal funding must comply with applicable Federal laws. In addition, a condition of all FEMA funded projects is that they conform to state and local laws and ordinances.

The following are some of the laws that usually affect FEMA funded projects:

- National Environmental Policy Act (NEPA)

- Endangered Species Act
- National Historic Preservation Act
- Resource Conservation and Recovery Act
- Clean Water Act

Applicants are allowed to complete the following work in accordance with specific policy guidance from FEMA:

- Emergency Actions (search and rescue, emergency care, life safety issues)
- Debris Removal (not necessarily disposal of storage/staging)
- Repairs to pre-disaster condition with no significant change in footprint to include the construction area, unless the structure is older than 50 years
- Temporary repairs, unless the structure is older than 50 years.

Before the following actions can be taken, the National Environmental Policy Act (NEPA) and other environmental and historic preservation considerations must be addressed:

- Debris disposal (other than to a permitted landfill)
- Any projects where the footprint is different than the pre-disaster condition.
- Projects with Section 406 mitigation
- Any project affecting a historic or potentially historic site or structure
- Any project affecting a threatened, endangered or protected species
- Any project affecting a wetland
- Any project affecting a floodplain
- Any project with known or suspected environmental concerns

The following actions must have an environmental review by FEMA environmental specialists *before* initiating construction:

- Improved projects
- Alternate projects
- Other projects in which the approved scope of work has been changed

Historic Preservation

The National Historic Preservation Act (NHPA) requires that Federal agencies take into account the effects a project will have on historic resources and allow the Advisory Council on Historic Preservation the opportunity to comment on the effects of the project. Historic resources include structures, archaeological sites, traditional cultural properties, or other cultural resources included on, or eligible for inclusion on, the National Register of Historic Places.

FEMA activities requiring NHPA compliance include repair or restoration of historic facilities, demolition or removal of historic structures, and improved, alternate, or relocated projects affecting historic or archaeological sites. FEMA is required to make a good faith effort to identify historic properties within a given project area's potential effect.

Large Projects

Two different payment methods have been established for Public Assistance Program grants. The difference between the methods is dependent on whether a project is small or large. That determination is based on a cost threshold that changes annually. The threshold is updated at the beginning of each federal fiscal year and published in the Federal Register. For the federal fiscal year FY2019, the threshold is set at **\$128,900**. If the estimated cost of a project is equal to or exceeds this threshold, the project is processed as a large project.

Large Projects are funded using a final accounting of actual costs. The steps for processing a large project are described below.

- A Project Worksheet is prepared by the PA staff member. FEMA approves funding using the estimate and obligates the Federal share of the funds to the State.
- As the project proceeds, the Applicant periodically request funds from the State to meet expenses that have been incurred or that are expected in the near future. It may take time to process a request for funds through the State system, and the Applicant should take this into account when timing requests for funds.
- When the project is complete, the State determines the final cost of accomplishing the eligible work by performing inspections or audits. The State then submits a report on the completed project to FEMA, certifying that the Applicant's costs were incurred in the completion of eligible work.
- After reviewing the State's report, FEMA will consider adjusting the amount of the grant to reflect the actual cost of the eligible work.

While proceeding with the project, the Applicant must ensure that Public Assistance funds are used only for eligible work. When reviewing final costs, the State cannot provide funds for costs that are outside the scope of work approved by FEMA. The Applicant should contact the State if changes to the scope of work are foreseen or identified during performance of the work.

Similarly, an Applicant may find during construction that FEMA's initial estimate is too low. If this happens, the Applicant should request an increase in the funds FEMA has made available for the work. As with changes in scope, the Applicant should request funding level increases through the State as soon as the need becomes apparent.

Step 4

Disbursement to Sub-grantees

FEMA and the grantee (State of Minnesota) share responsibility for making Public Assistance Program funds available to the sub-grantees. (Applicant) FEMA is responsible for approving projects and making the Federal share of the approved amount available to the grantee through a process called obligation.

Payment for small projects is made on the basis of the estimate prepared at the time of project approval. The grantee is required to make payment of the Federal share to the sub-grantee as soon as practicable after FEMA has obligated the funds.

Large projects are funded on documented actual costs. Because of the nature of most large projects, work typically is not complete at the time of project approval; therefore, FEMA will obligate grants based on an estimated cost.

Step 5

Appeals and Closeout

The appeals process is the opportunity for applicants to request reconsideration of decisions regarding the provision of assistance. There are two levels of appeal. The first level appeal is to the Regional Director. The second level appeal is to the Assistant Director at FEMA Headquarters. The applicant must file an appeal with the Grantee within 60 days of receipt of a notice of the action that is being appealed. The applicant must provide documentation to support the appeal. This documentation should explain why the applicant

believes the original determination is wrong and the amount of adjustment being requested.

The purpose of closeout is to certify that all recovery work has been completed, appeals have been resolved and all eligible costs have been reimbursed. Closeout is an important last step in the Public Assistance Program process.

You should notify the State Public Assistance Officer immediately after completing each large project and when all of your small projects have been completed.

You have 6 months to complete emergency work (Category A & B) and 18 months to complete permanent work (Category C-G). You may request extensions from the State based on extenuating circumstances or unusual project requirements beyond your control. Debris and emergency work can be extended an additional 6 months. Permanent restoration work may be extended an additional 30 months.

You may close out your small projects when all small projects have been funded and completed. They will be closed based on the approved cost estimates.

You must certify to the State that all funds were expended and all the work described in the project scope of work is complete. If you have a significant cost overrun associated with completing all work on all of your small projects, you may submit an appeal for additional funding. This request should be made in writing to the State within 60 days of completing the last small project.

You will closeout large projects individually as each project is completed. There is cost reconciliation (difference between estimated and actual costs for eligible work) on each individual large project when the project is complete.

Make sure all documentation for a project is accurate, complete and up to date for closeout review. You should keep all documentation for three (3) years following the State's closure of your grant. Under the "Single Audit Act," there is a possibility of an audit by State auditors and/or the FEMA Office of Inspector General.