U.S. Department of Homeland Security
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Washington, DC 20472

FEMA

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MEMORANDUM FOR: Regional Administrators
Federal Coordinating Officers
Federal Disaster Recovery Coordinators
Regional Recovery Division Directors
Regional Mitigation Division Directors
Regional Comptrollers

FROM: William L. Carwile, III
Associate Administrator for Response and Recovery

David Miller
Associate Administrator for Federal Insurance and Mitigation

Edward H. Johnson
Acting Chief Financial Officer

SUBJECT: Strategic Funds Management Initiative

As part of our continuing effort to improve Disaster Relief Fund (DRF) resource management to meet present and future disaster funding requirements, we are implementing an initiative we have named Strategic Funds Management (SFM) for open Joint Field Offices (JFO), Recovery Offices, and Processing Centers, as well as for future disaster operations. We believe that as the methodologies that comprise SFM are adopted as a standard business practice for FEMA and our partners we will be able to more effectively and efficiently meet the needs of all eligible applicants in a timely manner.

This initiative focuses on obligating estimated Public Assistance project funding based on the applicants' capacity, resources and schedule to execute the work. The SFM initiative is committed to ensuring applicants have funding when it is actually needed. Senior members of our team, including Bill Roche, Public Assistance Division Director; Mike Womack, Closeout Coordinator; and Greg James, Office of Chief Financial Officer Field-Based Operations Director; have recently conducted visits to selected open disaster operations to evaluate the current spend plan projections and status of projects. These visits will continue. Their goal is to assess the current procedures in place to resource the states and local jurisdictions for approved projects and determine the best way to implement the SFM initiative moving forward.

The importance of accurate "spend plans" cannot be overstated. They enable us to better manage the resources of the DRF to best meet the requirements of current and future disasters. In many situations, we will need to revise spend plan projections to best reflect the timing of the funding

obligations for certain projects based on the States/Applicants' priorities, needs, and capacity. This initiative will in no way delay current or future recovery operations. SFM enhances our planning for, and execution of, resources to meet the overall recovery efforts for each respective applicant. Additionally, the SFM initiative allows us to ensure that applicants are receiving funding when needed to maintain the momentum of recovery operations.

This initiative further enhances the communication among FEMA, the State, and Applicants, while also further ensuring that proper recovery planning and coordinated engagement occurs throughout the lifecycle of each disaster, until close-out. SFM continues to emphasize FEMA's commitment to assist in a community's recovery and our engagement throughout the life of a disaster, while also enhancing our business practices and improving funds management.

We greatly appreciate the cooperation and assistance we have received to date from Region and JFO staff, and look forward to engagement with other FEMA Regions, JFOs, and other offices as we move toward full SFM implementation. We will conduct additional briefings with regional and field staff over the coming weeks to discuss SFM and implementation of lessons learned and also for engagement and communication with our disaster partners.

Finally, based on results from SFM within the Public Assistance (PA) Program, we will extend the process to include the Hazard Mitigation Grant Program (HMGP). Through SFM in both the HMGP and PA programs, we expect to significantly improve the recovery and preparedness of applicants, enhance communication and partnerships, and increase our overall DRF Spend Plan accuracy.

cc:
Jason McNamara, Chief of Staff
Elizabeth A. Zimmerman, Deputy Associate Administrator for Response and Recovery
Brad Kieserman, Chief Counsel
Deborah Ingram, Assistant Administrator for Recovery
William Roche, Director, Public Assistance Division, Recovery Directorate
Thomas Womack, Closeout Coordinator, Recovery Directorate
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